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**Arctic Gas**

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BERGER - PHASE IV

TESTIMONY

MISCELLANEOUS


II

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ATTENTION: BUD HOLLANDS

SUBMITTER OF THE

ALBERTA AND ONTARIO BUILDING  
BUILDING AND CONSTRUCTION TRADES COUNCIL

composed of the Local Unions of Fifteen International Unions  
having jurisdiction in Alberta and the District of Columbia who  
represent some 48,000 members

and

THE ADVISORY BOARD FOR THE BUILDING TRADES UNIONS IN CANADA

which is composed of Representatives of  
fifteen International Unions whose  
aggregate membership is in excess of 400,000 in Canada

to the

MACKENZIE VALLEY PIPELINE INQUIRY

COMMISSIONER

Mr. Justice Thomas R. Berger

July 3, 1976







First, we would like to make it perfectly clear that we feel there is no viable alternative to the building of a pipeline. Having said that, we would like to express to you some of the priorities that we feel need to be considered and in some respects are of a rather urgent nature. We must first consider, as Canadians, what type of line should be built and why. Is one alternative better than another? The most urgent consideration that must be given is to the Arctic Gas proposal. If this proposal can be approved, it should be approved quickly. Delay could mean that the El Paso proposal would be the only route that has been given the green light to transport gas from Alaska. If the El Paso route is built because of delay of approval for a Canadian route, some of the benefits that could be derived for Canadians in general and more particular for Northern residents will be lost forever and other benefits will be severely delayed.

A major benefit would have to be revenue derived from transporting United States gas across Canadian territories which can far more than cover the interest, dividends and debt repayment on the portion of cost which is raised abroad. Also the expenditure on Canadian goods and services will be in excess of the amount of borrowing in Canada. In addition, the right-of-way tax, income tax, and royalties on Canadian exploration could assist in resolving the aboriginal claims of Northern Canadian natives.

A pipeline facility from Canada's north would encourage new exploration which otherwise would not be feasible. In addition, a line located as centrally as the MacKenzie basin







could more economically be fed by laterals to the East and North. At this time and with minimum encouragement for further exploration it is very questionable whether there is sufficient reserves in Northern Canada to justify the building of an all Canadian Line in the near future.

There are two major advantages in building a large diameter pipeline in addition to a large flow capacity, it would have a very large storage capacity to equalize varying surge demands. Other lines such as the Trans-Canada has had to be looped, building parallel lines for storage capacity. The other major factor is that a line built not large enough to handle future demands would have to be looped which would cause unnecessary disturbance to the surface of the tundra.

We might add that, in the past twenty years, Canadians have gained expertise in building small and big inch pipeline to the point that they are second to none. Further their expertise is unsurpassed in building lines in mid-winter when the terrain is impassable in the summer.

Now, let us look at the consideration that needs to be given to the manpower requirements for this job, and, in particular, consideration necessary for the Northern residents. There are two phases of the construction that will involve different considerations. One is the actual building of the pipeline, and, two is other facilities that require construction such as compressor stations, metering stations, gas plants, accommodation and food facilities and other temporary or permanent facilities.





The four unions involved in pipeline construction are also active in other types of construction and some of the pipeline employees are qualified to work in various types of construction. However, the pipeline employers generally specialize in pipeline construction and we, therefore, have distinctly different existing collective agreements.

To set the record straight, let us clarify the attitude and historic performance of the building trades unions ... i) it is our desire to have well qualified tradesmen as members of our organizations in all regions of Canada ... ii) our unions spend a great deal of time, money and effort to ensure that their membership is serviced in all regions of Canada. Local unions are established or are given jurisdiction over an area on the basis of how the best interest of the membership in the area can be served. Local unions which have a large territorial jurisdiction give priority of job opportunities to members living in the vicinity of work that is to be performed. This is often supplemented by arrangements through collection agreements to supply the closest available member who is unemployed ... iii) our unions would like to have a large skilled work force available for any type of construction in the Northwest Territories. This has, heretofore, been very difficult because of the spasmodic nature of manpower demands for construction in the Northwest or Yukon Territories ... iv) we have evidence of construction projects side-by-side in the territories operating union and non-union and it was only on the union jobs where the native people had employment opportunities





because the unions insisted that native people should be given the opportunity for on-the job training ... v) wherever possible and practical, building trades local unions have trained and utilized native people in the operation of the unions as union stewards or business agents.

Our type of unions have survived for hundreds of years from the craft guilds on the strength of the specific skills of our members. Northern residents are no different in that their future as tradesmen would only be secure if they are trained and able to do the work that is expected of persons in their respective trades.

Bonified Canadian territorial residents have a preferential right to undertake work in the North as do residents of any area have a preference for work that is available in their area. Considering that preference, there are a number of factors that must be considered. There is no point in training a person for a job without his having a strong desire to become proficient and more important, that the person to be trained must have a natural aptitude and ability to do the work for which he is being trained. That phenomena is not unique to northern residents, it is the same for every person desiring to learn a trade. Then, within each trade, there are specialities which very few tradesmen can accomplish. For example, there are thousands of people who can weld two pieces of metal together, but there are very few who have the artistic ability and steady hand to weld on a pipeline. There are thousands of people who can run a tracotr, but there are very few who can qualify to run a side-boom on big-inch pipe. This type of factor applies to all





tradesmen so it must be recognized when trying to devise ways of training Northern residents and they must be recognized that it is only possible to do those jobs which require a high degree of skills with personal ability and extensive on-the-job training.

We will undertake to train as many bonifide Canadian territorial residents as practical and possible and advance them into the most meaningful and difficult jobs as quickly as their skills will allow.

It will first be necessary to have a very thorough screening of anyone desiring to learn a trade to try to ensure that the applicant will be able to learn the trade he has chosen. If mistakes are found in the initial selection when training is pursued, the person should be moved immediately to a vocation for which he may be better suited so as to minimize frustration on the part of the trainee or apprentice and on the part of the persons providing the training. Any native people who are exceptionally capable in specific fields of endeavour should be utilized in the training of others. We would be prepared to cooperate in an advanced screening and training procedure providing we could select persons to participate in the administration and decision-making of that procedure. A significant cost would be involved to undertake advanced screening and training which we assume the Commission will consider in its recommendations.

We have, and will continue to, insist that all native people be treated as equals to their employees in every respect except for special consideration for training and job opportunity. We will





not agree to any special lower rates for persons who are trained to the extent that they are performing the work of a journeyman on the job. Trainees will also have to learn to accept the responsibility of proper performance of his duties the same as any other employee to maintain his job.

We are concerned about training Northern Canadians in large numbers for jobs which will not be available in the Northwest Territories when this work project is completed. Pipeliners are probably the most transient work force in Canada today and other types of construction follows a close second. In this respect, emphasis should be placed on training Northern Canadians in skills that will be required on a relatively continuous basis. They would otherwise have to be prepared to move to other job locations. The other aspect of lack of continuing opportunity for employment is the two periods of change which could have considerable social impact, being the transition from making relatively small wages to making big wages and returning to small wages or no job opportunity on completion of the project. It may well be of more benefit to northern residents to concentrate on training to operate the permanent facility related to the pipeline, to have a continuous opportunity for employment.

There is really no point in proceeding with any definitive measures for screening or training native people until we are certain the job will proceed. We will outline for you some procedures that might be feasible assuming a construction program was approved. These are based on sixteen points mentioned in a letter circulated by Mr. R. Haynes late in May.





- 1) Skill assessment for natives at an early stage. We feel that an early in-depth assessment of such things as skills, potential skills, manual dexterity, mechanical aptitude, general education assessment and personal ambitions of an applicant would be desirable. Persons who had been tradesmen for a number of years would likely be very valuable in making that type of an assessment.
- 2) Pre-Job Training for Natives. Pre-job training may vary considerably with different organizations. There is probably a lot of counselling and familiarization that could be accomplished. Training in theory would not be too difficult but practical experience would be very difficult to accomplish. Most of the educational programs which our unions have or in which they participate are in connection with their regular apprenticeship or upgrading program. Most of these facilities are permanently fixed and could not be transported to the territories, but the biggest factor involved would appear to be the cost of establishing training facilities or the cost of transporting natives to existing facilities.
- 3) Pre-Training Counselling and Pre-job Counselling for Natives. We would see the unions being directly involved in any type of training program from start to finish which would include counselling on matters pertaining to the work. It seems obvious also that native people could be counselled to understand clearly what a union is all about, how it operates, what are his obligations and what the procedures are for the individual to obtain employment.





- 4) Native Counsellors. Whatever the responsibilities of native counsellors may be, there should be a very close working relationship between those counsellors and the union representatives and/or the union stewards.
- 5) Dispatching natives to Jobs. The most important consideration in matching natives with jobs is that the union dispatcher know as much as possible about the native person seeking employment as he is already familiar with the job that is to be filled. At this time, we are not certain what the best procedure would be with regard to hiring halls or branches of hiring halls in the Northwest Territories but it is obvious that there will have to be provision for the registration of, and ability to, locate Northern residents seeking employment. Having matched a native with a job opening, the dispatch procedure will be the same for everyone.
- 6) On-the-Job Training Program. We feel that it is essential that the unions be involved in every aspect of the design operation and supervision of on-the-job training programs. Most of the on-the-job training will come from present journeymen.
- 7) Quota or goals for ensuring native employment. There are many factors that would have to be considered if a maximum number of native trainees were to be employed. Safety is probably the most pressing problem, although maintaining a reasonable productivity and a minimum waste or damage level must also be considered.

We also do not believe that a quota system is in the best interest of anyone. It would be the worst type of unproductive featherbedding. In addition, the persons filling a quota have no





7) (continued)

need to try to become efficient, productive tradesmen, and would not become qualified to hold a future job without quota protection. Present tradesmen lose their incentive to be productive and train trainees or apprentices who have no need to learn or work because of quota protection. Those interested will have job opportunities and the success of the program can be monitored. We certainly feel it would be essential to be involved in the establishment of any such system or in its operation and periodic review.

- 8) Native Foods. We have always insisted on first class camp accommodation and food services which include a variety of foods that the workmen desire to eat. So it should be no problem in providing the natives with some food of their choice.
- 9) Safety. The on-the-job safety procedures are far more important and usually much more stringent than those contained in legislation and it is obvious that safety considerations, regulations and first aid facilities will be somewhat unique and require special consideration for this project.
- 10) Winter Work. Labour problems would be minimized in the cold dark Northern winters with special consideration being given to long hours of work, regular rotation in and out of the job, appropriate safety precautions, camp facilities and good recreation facilities.
- 11) The matter of appropriate time off for rest and recreation by rotation leave will have to be arrived at by collective bargaining.





- 12) Hours of Work. The number of hours of work per day will again be covered by collective agreement. However, they should be long enough to be able to acquire a good pay cheque and to occupy a good number of the hours that the men would normally be awake. However, also considering that they are not so long as to create fatigue in the cold weather.
- 13) Banking and Credit Unions. Banking or near bank facilities will have to be provided as called for in collective agreements or pre-job arrangements.
- 14) Work Crews. Integrated work crews would provide a much better opportunity for on-the-job training, and would better serve the interest of safety and efficiency. We do not want to even suggest that there should be anything short of total integration.
- 15) Alcohol. The provision of alcoholic beverages in a controlled setting at the job site has proven successful in other locations. This sort of system operated and policed by the workmen themselves seems much more acceptable than a policed system of no-alcohol, or a carry-your-own arrangement.
- 16) Non-Union Employers. We do not envisage any non-union employment activity on the project. Any non-union activity would certainly cause disruption and should be eliminated prior to any commencement of work by virtue of collective agreements.



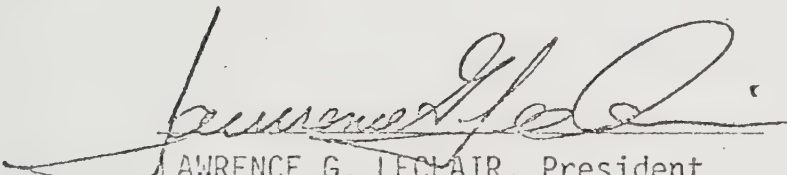


CONCLUSION:


We trust that this submission will assure your Commission of the sincerity of the Building Trades Unions in doing all we can to assist bonfide residents of the Canadian territories in familiarization, job opportunity and training. Our members obtained most of their trade knowledge from other tradesmen and this type of committment on our part is the most essential ingredient in providing an opportunity for Northern Canadians to learn a trade.

We reiterate, Mr. Commissioner, that the prime issue is permission to build the pipeline. We endorse the construction of a gas transmission facility and, on approval of such a facility, we will work with interested parties to ensure that the contents of this submission are implemented.

RESPECTFULLY SUBMITTED:



LAWRENCE G. LECLAIR, President  
ALBERTA & N.W.T. (DISTRICT OF  
MACKENZIE) BUILDING & CONSTRUCTION  
TRADES COUNCIL



JAMES A. McCAMBLY, Executive Secretary  
ADVISORY BOARD FOR THE BUILDING TRADES  
UNIONS IN CANADA





SUBMISSION

TO

MR. JUSTICE THOMAS R. BERGER, COMMISSIONER

MACKENZIE VALLEY PIPELINE INQUIRY

ON

PHASE IV

THE HUMAN ENVIRONMENT

August 11, 1976





The Canadian Pipeline Advisory Council welcomes this opportunity to express its views on the socio-economic impact that the construction of a pipeline or pipelines within the Yukon and Northwest Territories might have on the residents of these areas.

Our submission, in this phase of the inquiry, is in support of the national interests of Canadian employers and Canadian workmen with respect to their involvement in any pipeline project which will deliver northern natural gas to southern markets. We will address ourselves to the social implications related to guideline No. 7 of August, 1970, and the elaboration thereon contained in the expanded guidelines for northern pipelines of June, 1972.

## THE COUNCIL

The Canadian Pipeline Advisory Council was established in January, 1969 as a joint consultative committee dedicated to promoting and preserving harmonious relationships between organized labour and construction management in the pipeline sector of the Construction Industry in Canada.

The Council is comprised of one regular and one alternate International Representative from each of the four craft unions which are recognized as having jurisdiction over all work within the pipeline sector, together with four regular and two alternate senior management representatives appointed by the Pipe Line Contractors Association of Canada.

Activities of the Council are funded by employer contributions to the Pipeline Industry Promotion Fund which are required under the Industry-wide collective agreements. The proceeds of this Fund are used to further the interests of the Council and the Association in matters of industry relations, public relations, educational programs, safety promotion, government liaison and such other Industry-wide endeavours as may appear prudent to the representatives of the Council who serve as trustees.

## THE UNIONS

The unions which are represented on this Council are those international building trades' unions which have established trade jurisdiction for pipeline construction throughout Canada. The international unions participating in the Council are:

International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America; International Union of Operating Engineers; The Laborers' International Union of North America and the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada.





The Pipe Line Contractors Association of Canada was founded on April 20, 1954 and became incorporated by Letters Patent on April 9, 1968 as a corporation without share capital under The Canada Corporations Act.

Membership in the Association is comprised of 40 Regular Members (contractors) and 81 Associate Members (suppliers). Each Regular Member appoints the Association as its agent for collective bargaining with authority to negotiate, conclude and execute collective agreements for pipeline construction in all of the provinces and territories of Canada. The Association is accredited as the exclusive bargaining agent for all employers of employees operating within the pipeline sector of the Construction Industry in the Province of Ontario.

The affairs of the Association are directed by a Board of Directors composed of 12 members. A Labour Committee representative of Regular Members in all parts of Canada is appointed annually and has full authority in all Labour relations matters including the negotiation and administration of collective bargaining agreements.

### COLLECTIVE AGREEMENTS

The first pipeline agreements for Canada were negotiated by the Association and the four pipeline craft unions in 1954. Prior to that time, hourly wage rates and conditions of employment for pipeline employees in Canada were negotiated in the United States and were found as addenda to the national pipeline agreements between the International Unions and the American Pipe Line Contractors Association.

The existing collective agreements covering pipeline construction in Canada contain fully negotiated wage rates and conditions for all of the provinces and territories. It is anticipated that a project agreement will be negotiated for the construction of any large northern pipeline.

### THE INDUSTRY

Pipeline construction is a relatively new sector of the Construction Industry. It was not until the year 1947 that pipeline construction came into prospect as a major force in Canada. The construction of pipelines is unique by comparison to other types of construction. Work methods, techniques, specialized equipment and employee skills are peculiar to this type of construction.

A pipeline construction "spread" is made up of several production units or crews which are inter-dependent. Welding standards, to ensure quality welds with structural integrity require intensive training on the part of employees operating welding equipment in the downhand stick rod, semi-automatic and fully automatic welding techniques. The specialized equipment utilized in pipeline construction is rarely, if ever, used in other sectors of the Construction Industry. Such equipment as bending machines, pipe mandrels, pipelayers, wheel trenchers, boring machines, backfillers, line travel cleaning and wrapping machines, dope pots, line-up clamps, pigs, and others, require specially trained operators.



During the early to mid 1950's, the major pipeline construction projects in Canada were carried out by contractors of American origin. Because there were few, if any, Canadian workmen with the specialized skills for this work, it was necessary to import American personnel to the extent of approximately 90% of the skilled work force.

One of the prime objectives of the Association, at time of founding in 1954, was to train Canadian personnel in the skills required to perform this complex type of construction.

During the years 1955 through 1966, the Association sponsored courses at established vocational training schools and at special school sites in pipeline welding and equipment operating. These courses were financed by voluntary contributions from Members of the Association who maintained instructors on their payrolls and donated major equipment, material and supplies.

In the fall of 1967 the Association began working closely with the Department of Manpower & Immigration in the selection of trainees and the financing of special schools which continued to be operated by the Association with equipment and supplies donated by Members.

In the five years between 1967 and 1972, the Association monitored the success of trainees who completed the courses at these special schools. Following an assessment by the Association of the success ratio of graduates from these courses, Association and union representatives met with Canada Manpower and developed a "Pipeline Construction Training Assessment".

The volume of pipeline construction in Canada has fallen sharply during the last three years. As a consequence, many who have received this specialized training have become disillusioned because jobs have not materialized following training. Also, the absence of employment opportunities on pipeline construction in Western Canada, has discouraged prospective applicants from applying for this training. Accordingly, several courses in downhand welding and equipment operating planned for Western Centres have had to be cancelled.

In recent years, there have been established in the National Pipeline Agreements covering Welders and Operating Engineers, training funds to which all signatory employers make an hourly contribution. These funds have been utilized to subsidize training courses largely financed under the Canada Manpower Adult Training Program. Unfortunately, in the fall of 1975, this Council was informed by Canada Manpower that funds were no longer available under their Adult Training Program to finance courses which were planned for Western Canada in the early part of this year. Because there was an insufficient accumulation of monies in the joint labour-management training funds, it was necessary to abandon completely the welding and equipment operating training courses which had previously been conducted. Courses in Eastern Canada however were able to proceed with Canada Manpower financing.





Shortly following the announcement of the initial guidelines for construction and operation of northern pipelines by the Government of Canada, this Council publicly endorsed the principles of guideline No.7 by indicating a willingness to cooperate with various government agencies and applicants for land use permits in the development of specific training and upgrading programs, including on-the-job training, designed to provide residents of northern Canada with the specialized skills required in pipeline construction.

In September, 1971, this Council met with representatives of the Northwest & Yukon Territorial Governments and Federal Government Departments of Indian Affairs and Northern Development, Labour, Manpower & Immigration and National Health & Welfare. Subjects discussed included involvement of the pipeline craft unions and the Association in determining the number of employable territorial residents available, assessing their aspirations and capabilities, organizing suitable training courses and directing them into appropriate training and employment. Other matters discussed were labour legislation and project collective bargaining. The Council offered to develop a northern information program which would include the sponsorship of seminars in northern communities, to familiarize residents with the work environment and skill requirements of personnel engaged in pipeline construction.

On the latter subject, this Council sponsored a seminar at Yellowknife, N. W. T., in November, 1972, involving Federal and Territorial Government representatives and representatives of native groups. The purpose of this seminar was to enlighten administrators, counsellors and educators, as to the skill requirements of, and the employment opportunities in, the pipeline construction industry and to prepare the way for training of Canada's northern residents, to ensure their involvement in the construction of any northern pipeline.

### Training

Steps were taken toward the training of northern residents with the involvement of a small number of northern natives in the existing industry training programs. With the co-operation of Canada Manpower, two natives, resident of northern Alberta, were enrolled in a downhand welding training course and they demonstrated good potential as pipeline welders. In co-operation with DIAND, two natives, resident in the Northwest Territories, were enrolled in the sideboom operator course at Fort McMurray. One trainee dropped out after a short period of time and the other remained to complete the course, showing good potential as an equipment operator. Contractor members of the Association provided on-the-job training opportunities for northern natives in the construction of test facilities at Mountain River and during the construction of a natural gas transmission line at Pointed Mountain.





In co-operation with Nortran, an organization developed by a consortium of companies for the purpose of providing training and employment opportunities to residents of the Northwest Territories and the Yukon, this Council arranged on-the-job training for twelve native northerners on pipeline construction projects in Alberta. Three of these trainees displayed such aptitude that they were transferred to another pipeline construction project in Ontario by an Association member contractor.

There are many examples where training and upgrading opportunities have been given to bona fide local residents and particularly to natives. During construction of the Dew Line, the Mid-Canada Line, the Great Bear Silver Mine, the Great Slave Railway, the Alberta Resources Railway and more recently the Syncrude Project, construction employers and building trades' unions have provided training and employment to countless natives who have demonstrated a reasonable capability and a desire to work in the Construction Industry.

This Council continues to monitor the training needs of the Pipeline Construction Industry and to promote joint labour-management training programs to ensure an adequate supply of competent Canadian workmen to meet the future requirements of the Industry. It is our desire to continue these programs but, as has been mentioned, it appears that Canada Manpower is unable to provide the necessary funding. The Industry's joint labour-management training funds will not sustain these training courses over a long period of time. Costs of employing qualified instructors, of operating and maintaining heavy equipment and of procuring materials and supplies, continue to rise. If northern natives are to be given the opportunity to participate in industry training programs then additional financing will have to be found in order that these courses may be reinstated and augmented.

At such time as the necessary permits are granted to a successful applicant, we expect there will be approximately one year before commencement of actual pipeline construction. With this much lead time, specific training programs can be established in the Territories to provide training for local residents to prepare for employment. Such programs will require the co-operation of the applicant, the contractors, the pipeline craft unions and governments. A word of caution must be added however with regard to pre-employment training of residents of the Territories to prepare them for employment "at all levels." While this is a desirable objective, it must be realized that pre-employment training does not and cannot qualify trainees for the most critical occupational classifications in pipeline construction. Safety, efficiency and productivity are essential and can be acquired only by exposure to the work and on-the-job training.



This Council is anxious to co-operate with the applicants and various agencies of government in providing advance information for potential workers resident in northern Canada on the types of jobs which will be available and the skills required for the various occupations in pipeline construction.

Three meetings have been held between this Council and representatives of the Northwest Territorial Government and the Department of Indian and Northern Affairs to consider this matter. As a consequence, this Council undertook to develop a "Northern Information Program" which would make available in northern communities, written and pictorial information on pipeline construction and the occupational classifications and skill requirements of the Industry.

As an initial step in developing this northern information package, the Council purchased a copy of a thirty minute film entitled "Portrait of a Pipeline" which has been screened in several northern communities.

As the next step in developing the proposed information package, the Council investigated the cost of publishing an informative brochure to contain photographs of actual work situations, written definitions of skills required, pre-employment training opportunities, union membership requirements, etc. Unfortunately it has been determined that the cost of producing such a publication in quantity will be prohibitive in terms of this Council's modest budget. We have therefore approached the Minister of Indian and Northern Affairs with a request for financial assistance in producing a publication which will depict pipelining in Canada and in particular, that carried out in northern areas during winter months. We have received some encouragement from the Minister regarding financial assistance in publishing such a brochure.

This Council believes that there is some urgency in developing a "Northern Information Program" on pipeline construction in order that northern residents may be informed well in advance of construction as to the jobs which will be available and the requirements for education, experience and special training. From this advanced information, we would expect that northern residents will be better able to indicate their interest in employment on the pipeline.

There must be compiled, well in advance of commencement of construction, an inventory of available northern residents with a genuine interest in pipeline occupations, together with their education and employment histories and an indication of their aptitudes and aspirations. This inventory should be compiled by the appropriate government agencies and the native groups in the Territories and made available to the applicants, contractors and unions. It is imperative that all parties involved be made aware of the actual numbers of northern residents who are interested in training and employment in pipeline occupations.





This Council is confident that every bona fide northern resident who is genuinely interested in employment on the pipeline, will be given every opportunity to be gainfully employed. There have been estimates of the total number of employees required on a northern pipeline ranging between four thousand and six thousand persons. It has also been estimated that between fifteen hundred and two thousand semi-skilled workers will be employed during the construction period. Accordingly, it would appear that there will be ample opportunity to employ all interested residents of northern Canada.

Many employment opportunities, in addition to those represented by actual pipeline construction, will be available in the industrial sector of the Industry on the construction of compressor stations and support facilities. Also, a variety of jobs will be created in the service industries related to pipeline construction and industrial construction. Those northern residents who do not have the aptitude or desire to be employed in pipeline construction may be suited for employment in these other activities.

Meetings have been held with representatives of Canadian Arctic Gas and Foothills Pipelines to discuss the desirability of collaboration in establishing employment procedures for both northern and southern personnel for the pipeline construction phase of a total project. We have extended an invitation to the Committee for Original People's Entitlement to meet with this Council and other native organizations in order that there may be a frank exchange of views on the employment of natives. Hopefully such a meeting will be arranged in the near future.

We have met recently with representatives of the Department of Indian and Northern Affairs, Canada Manpower and the Northwest Territorial Government to discuss a proposed "Manpower Delivery System." We reiterate the views which we expressed at our meeting, that there must be a single government agency designated with which the successful applicant, the contractors, the unions and the native organization will be able to deal in all employment matters. All other government departments and agencies must co-ordinate their activities and requirements through this single designated agency which must be responsible for carrying out and enforcing clearly defined regulations embodying the requirements of all government departments. It will not be feasible or practicable in our view, for the participants in any employment program, to deal with a multiplicity of government agencies each with its own requirements and regulations.

We urge that any "Manpower Delivery System" include representatives of the owner client, the contractors, the building trades' unions and the native groups. It is important that all interested parties be involved to evaluate the skills of available workers to determine their suitability for occupations in pipeline construction, industrial construction or in the supporting service activities relating to both types of construction. It is essential that only bona fide territorial residents be hired in the locality where the work is being performed and any transient workers seeking employment at any location north of the 60th parallel must be instructed to seek employment through the appropriate hiring hall.



Everyone must recognize the need for a very strict definition of "bona fide" territorial resident so that the much feared migration of transients into northern communities can be controlled as much as possible. We are all aware of the problems which can develop when such a migration occurs. It can devastate a community and we do not want to see that happen. For this reason, we would recommend that the hiring policies eventually determined for this project be strictly controlled and made public.

The Industry can readily accommodate the bona fide resident through a comprehensive selection and training program and still maintain the control necessary for construction schedules. It must be clearly understood, however, that no pipeline contractor could staff his project with non-skilled or inexperienced personnel at the beginning of the job. The regular pipeline worker, because of skill and safety requirements, will have to be brought to the job first in order to commence operations and then the inexperienced worker can be assimilated into the work force without jeopardizing the safety of other workers.

This Council accepts the principle of preference of employment for territorial residents from the locality where the work is being executed. However, we cannot accept the principle of a quota system or priority placement being accorded to northern native people. We feel that, when job openings occur, territorial residents whose skills have been assessed as suitable for the particular job must be phased into job openings over the total project along with southern residents who possess similar skills. In the interest of safety, productivity and efficiency, territorial residents must not have priority placement "at all occupational levels." They must be selected for employment at occupational levels which afford them the greatest opportunity for advancement based upon exposure to the work and demonstrated performance. Territorial residents should be hired in the same manner as would be any other Canadian citizen where it is the practice to maximize the use of "local labour."

With respect to retention in employment, this Council feels that territorial residents must not receive any preferential treatment or partiality in the observance of work rules or job deportment. They must be subject to the same disciplinary measures as all other employees. Acts of absenteeism, tardiness, malingering or insubordination, which would be proper cause for dismissal, must not be tolerated. To display partisanship to territorial residents in this respect would be tantamount to discrimination against other employees and would completely destroy employee initiative and morale.





### Union Membership

As was stated earlier, this Council expects that a project agreement will be negotiated for any pipeline project in northern Canada. Any such agreement will stipulate conditions under which territorial residents will be admitted to union membership. At such time as the territorial resident becomes qualified for union membership under such agreement, initiation fees and dues required to be paid uniformly by all union members may be deducted from the employee's earnings and remitted to the appropriate union.

### CONCLUSION

This Council reiterates the willingness of the pipeline craft unions and the pipeline contractors to co-operate in accommodating territorial residents with respect to employment in the construction of a northern pipeline. We emphasize that this submission is in support of the national interests of Canada and of all Canadians.

It is our sincere belief that there is an urgent need for delivery of frontier gas to energy-hungry consumers. We believe that the most viable means of delivering this energy to markets is by transportation pipelines. In our opinion, such pipelines can be built with maximal benefit and minimal disruption to residents of the territories.

We urge, Mr. Commissioner, that everything possible be done in order that construction of a pipeline system may be commenced and completed as soon as possible.

All of which is respectfully submitted.

CANADIAN PIPELINE ADVISORY COUNCIL

  
Gordon R. Hodson, Recording Secretary

August 11, 1976









# TESTIMONY TO THE MACKENZIE VALLEY PIPELINE INQUIRY

prepared by

Mim Dixon

I would like to thank Judge Berger and the persons associated with the Mackenzie Valley Pipeline Inquiry for inviting me to share some of my observations of the impact of the trans Alaska oil pipeline on Fairbanks, Alaska, and the role of the Fairbanks North Star Borough's Impact Information Center. I find it very gratifying that other people are trying to learn from our experiences.

So that you can properly evaluate my comments, I would like to give a little background about myself and about Fairbanks. My academic training includes a B.A. magna cum laude in economics (Washington University, 1970), and an M.A. and Ph.D. in anthropology (Northwestern University, 1972 and 1974 respectively). I have been a resident of Fairbanks, Alaska, since 1970. From August, 1974, until April, 1976, I studied the impact of the trans Alaska oil pipeline on the community of Fairbanks in conjunction with the Fairbanks North Star Borough's Impact Information Center. I also served as a consultant to the rural impact information project of Interior Alaska for the duration of that program from February, 1975, until February, 1976. Currently, I am on contract with the State of Alaska's Department of Community and Regional Affairs to write a book about the Fairbanks experience with pipeline impact. I have attached a vita for further information about myself.

The effects of the trans Alaska oil pipeline on the community of



MACKENZIE VALLEY PIPELINE INQUIRY

REPLY TO:

Commission Counsel,

Ian Scott, Q.C.,  
Suite 402,  
181 University Avenue,  
Toronto, Ontario M5H 3M7

Telephone: 416-364-6279

Telex: 06-23402

August 6, 1976

Mr. Ian G. Waddell,  
Special Counsel,  
Mackenzie Valley Pipeline Inquiry,  
P.O. Box 1338, Station 'B',  
Ottawa, Ontario K1P 5R4

*Received  
August 9<sup>th</sup>*

Dear Mr. Waddell:

Enclosed is a copy of the evidence prepared by Mim Dixon to be presented in Yellowknife on behalf of Commission Counsel.

We will be proposing if possible to present this evidence during the week of August 16th next.

Yours very truly,

*Ian Scott /yz.*

IAN SCOTT  
Commission Counsel

IGS/bj  
Encl.

c.c.: J.J. Marshall  
John Steeves  
Russ Anthony  
Carson Templeton  
Glen Bell  
John Bayly  
Murray Sigler  
Ron Veale  
R. Gibbs





Fairbanks may be applicable to the Mackenzie Valley situation in some ways and not in others. Therefore, I would like to offer a brief summary of the magnitude of the pipeline project and Fairbanks' role in relation to the pipeline.

Construction of the trans Alaska oil pipeline system was officially begun on April, 1974, although preliminary work began as early as 1968. At its inception, it was called the largest private construction project in history. To transport oil from Prudhoe Bay at the northern coast of Alaska to the southern Alaskan port of Valdez requires, in addition to the construction of a 800-mile long 48-inch diameter pipe, the construction of a 361 mile gravel road, bridges over 20 major streams, a 2,300 foot bridge over the Yukon River, three permanent airfields, eight temporary air fields, 15 permanent access roads, numerous temporary access roads, 19 construction camps, eight pump stations, and oil storage and tanker loading facilities. The cost of the project is now estimated in excess of \$6 billion, and the estimated completion date is mid-1977.

At the peak of the construction season last summer, an estimated 22,000 people were working directly on the pipeline project. Most unions have negotiated contracts which provide for a working period of 9 to 13 weeks, with 10-12 hours of work each day, and a rest and recreation period of one to two weeks. This yields paychecks of \$1,000 to \$1,500 per week for laborers and skilled craftsmen.

Fairbanks, Alaska, is the primary supply and administrative center for construction of the northern segment of the pipeline, and therefore it is one of the communities most affected. Surplus buildings in the local army base have been converted into construction headquarters for the trans



Alaska pipeline project. Approximately 520 project management personnel are located there. Additional facilities on the post are being used for a construction camp accommodating 1,560 workers, many of whom work at the pipe storage yard located in Fairbanks. In addition, union halls located in Fairbanks are the primary source of job referral for more than 16,000 pipeline jobs. Since the supply of available labor is greater than the number of pipeline jobs, some of the unions have waiting lists of 3,000 people or more.

According to the 1970 Census, the Fairbanks North Star Borough was inhabited by approximately 45,000 persons and government was the major employer. With the commencement of pipeline construction activities, the population has swelled to an estimated 63,000 persons, in addition to the numerous transients who pass through Fairbanks on their ways to and from the pipeline construction camps or to do pipeline-related business.

Direct and indirect effects of pipeline construction upon the Fairbanks community are called "impact." To help the community cope with impact, to quell impact rumors, and to aid in formulating policy, the Fairbanks North Star Borough established an Impact Information Center in July, 1974. The testimony which follows gives a history of the Impact Information Center, explanations of the methods of data collection and dissemination used by the Impact Information Center, a brief description of how the information is used, and a list of principles which I have developed for the successful operation of a program such as the Impact Information Center. In addition, I have tried to present some of our research findings in a broad conceptual framework which may be useful to those assessing, predicting, and evaluating the potential and actual impacts of oil and gas development in the Mackenzie Valley.





## History of the Impact Information Center

Just prior to the inauguration of pipeline construction activities, the Social Concerns Committee of the Fairbanks Council of Churches held a community meeting to which representatives of the oil industry were invited to describe the ways in which the communities in the Fairbanks North Star Borough would be affected by the construction activities. This meeting provided a forum for public discussion in which there was an expression of need for additional and on-going information about the affects of pipeline activities on the local communities. The Social Concerns Committee, along with other concerned individuals, organized support for an Impact Information Center as part of the Fairbanks North Star Borough government services.

Charles Parr, who was then presiding officer of the Fairbanks North Star Borough Assembly, developed a schematic for such an office. Mr. Parr envisioned a center whose purpose is to collect and disseminate information, "it does not forecast, predict, project, extrapolate, or otherwise attempt to indicate the shape of the future." According to the schematic:

The sole measures of success of the Impact Information Center will be how well it serves the whole community: the businessman deciding whether to expand his operations, the man who builds three houses and sells them each summer, the senior citizen on a fixed income who must decide whether or not to leave for the Lower 48 because of prices, the school authorities wanting to know how many teachers to hire, hospital administrators with staffing problems, Goldpanners who may need additional seating in the ball park, and welfare recipients whose incomes always lag behind the rising cost of living."

Borough Mayor John A. Carlson supported the idea in a memorandum to the Borough Assembly in which he further refined the concept of an Impact Information Center. He defined three basic purposes for such a center:



1) to provide the general public with information relevant to pipeline activity which "could or will affect their personal, occupational, business, financial and recreational affairs"; 2) to provide the borough assembly and administration with "factual data to aid them in conceiving and formulating public policy designed to cope with pipeline impact"; and 3) to present information as rationale to support requests for state, and possibly federal, impact funds or services. The mayor also recommended that a broadly-based steering committee be appointed to guide the proposed information center.

On April 25, 1974, the Fairbanks North Star Borough Assembly appropriated \$13,450 from the general fund to the Mayor's Office for the purpose of establishing an Impact Information Center and operating it for the remainder of the fiscal year. The Borough Assembly later decided to use a portion of the impact funds received from the State of Alaska to support the Impact Information Center, and thereby appropriated an additional \$49,198 to operate the Impact Information Center during FY1974/75.

The original Impact Advisory Committee, appointed by the mayor to guide the Impact Information Center, represents a cross section of the community, including chairman of the Social Concerns Committee of the Fairbanks Council of Churches; President of the Fairbanks Chamber of Commerce; Community Relations Representative for the Alyeska Pipeline Service Company; Vice President of Doyon, Ltd., the regional Native corporation; and Presiding Officer of the Borough Assembly. Later the committee was expanded to include a consumer representative; a representative of the Black community; and a representative of the Joint Labor Council. Since the





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original committee was formed, there have been several changes in membership but the broad representation of various parts of the Fairbanks community has been maintained. At its inception the committee met with the Impact Information Center staff, the press, and the public two times each month. Later the public meetings were held once a month. The Advisory Committee reviews and critiques the publications of the Impact Information Center, suggests topics for research, and provides a public forum for discussion of impact phenomena.

The Impact Information Center began with a two-person staff. Joe LaRocca, a veteran political journalist was the Information Officer, assisted by a secretary. Shortly after the office began, I joined the staff through the use of CETA funds. Eight months later, the Impact Information Center had proved itself and it was decided that there was a need for a rural impact information project of the Interior of Alaska outside the Fairbanks North Star Borough. By contractual arrangement with the Impact Information Center, I also served as a consultant to the rural program.

At the end of the first fiscal year of the Impact Information Center, the state impact funds lapsed and the Borough Assembly decided to appropriate the funds out of general revenues to continue the program. The State of Alaska ascertained that the Impact Information Center was providing valuable information to state agencies and decided to add \$10,100 to the Impact Center budget. Additional funds were secured through contractual services with the rural impact information project. At that point, Joe LaRocca departed, I became director and the secretarial position



was amalgamated into an Information Assistant position with responsibilities for working with the public and assisting in research, as well as clerical duties.

As the second fiscal year of operation for the Impact Information Center is drawing to a close, the Borough Assembly is once again considering the future of the program and its budget. I resigned from my position in April to write a book about pipeline impact in Fairbanks, and Sue Fison became director of the Impact Information Center. Among other recent developments, the Fairbanks North Star Borough has learned that it will be receiving a 1976 New County Achievement Award from the National Association of Counties for the Impact Information Center.

#### Methods of Data Collection

A major activity of the Impact Information Center is to collect information about changes in the community which may have resulted directly or indirectly from pipeline activities. A variety of methods have been used to collect community data. These include the following:

1. A reporting system has been established in which local and state agencies send copies of their regular reports to the Impact Information Center. This includes such items as traffic counts, airport activities, Consumer Protection Agency case-loads, etc.
2. The local newspaper and other major newspapers within the state, are reviewed daily and a file of newspaper clippings relating to the community, the impacts of the pipeline, and energy resource development is maintained.





3. The Impact Information Center receives studies, reports, and articles about Fairbanks and serves as a library for that information.
4. Regular market basket surveys, heating-oil cost surveys, and surveys of rental prices advertised in the local newspaper are conducted to establish economic indices. In addition, information obtained by the Bureau of Labor Statistics in its Anchorage Consumer Price Index is utilized. A major activity of the Impact Center and its Advisory Committee has been to encourage the reestablishment of a consumer price index in Fairbanks.
5. Public records are used to obtain data. For example, by utilizing the dockets from the State Superior Court, filed divorce complaints are recorded monthly, and information from previous years is being collected in order that a time series analysis may be possible.
6. Interviews are conducted with local persons to obtain information on a variety of subjects, and local institutions are visited and observed.
7. Public meetings and hearings are attended to obtain both information and public expressions of sentiments.
8. Formal questionnaires are used occasionally to obtain information on specific problems, (e.g., a survey of high school students to determine their roles within the workforce, a survey of Senior Citizens to ascertain their pipeline-related



problems, and a survey of local pipeline-related workers to determine their child care needs and solutions).

9. Local university students are encouraged to study impact phenomena. Their work is supervised and coordinated through the Impact Center, and the Center acquires copies of completed papers.
10. Impact Center staff participate in local groups, give speeches at meetings of various organizations, are interviewed on radio and television talk shows, and participate in community activities in other ways which help to create a positive image and a sense of trust which facilitates an informal communications network.
11. As the Impact Information Center has become recognized as a community resource, persons in the community or elsewhere with questions, problems, or information contact the Impact Center either by telephone or going directly to the Center. Persons in the community provide information not only in terms of data, but also by alerting the staff to community concerns.

Research methods are flexible and strive for the integration of qualitative and quantitative data. The financial and political constraints on the Impact Center prohibit a large research team which could provide greater depth of information. However, the relatively small size of the community, and the unique vantage point provided by the research setting, permits a holistic view of changes in the community.



## Methods of Disseminating Information

Located in a store-front office in the heart of downtown Fairbanks, the Impact Information Center serves local citizens seeking information or referrals, businessmen, state and federal agency people, journalists, and other interested people, including a variety of Canadian groups associated with the Berger Inquiry. Information collected by the Impact Information Center is disseminated in several ways. People call or visit the Center, some information is exchanged through correspondence, and the staff of the Impact Center gives speeches and presentations to the groups in the Fairbanks area. Much information is disseminated through the news media coverage of the monthly Impact Advisory Committee meetings.

The major focus of activities and the major source of dissemination of information is through the publication of regular reports. In the 22 months that the Impact Information Center has been in existence, it has produced 26 regular reports which cover over 100 topics including such areas as tax revenues, highway traffic, airport activities, population estimates, prices, housing, crime, employment, youth, and many others. In addition, three special reports have been prepared: "Alaska Hire and Minority Hire on the Pipeline," "Senior Citizens: The Effects of Pipeline Construction on Elderly Persons Living in Fairbanks," and "Questions and Answers About the Cost of Living in Fairbanks." Reports are distributed to borough administrators and assemblymen, to others upon request, and to persons who have requested that their names be placed on the mailing list.

To date, approximately 725 person have requested that their names be placed on the mailing list for Impact Impact Information Center reports.





Surveys of report recipients indicated that on the average each copy of the report which was mailed was read by 3.3 person in 1975 and 3.1 persons in 1976. The distribution of the reports through the mailing list is given in the following table prepared in August, 1975, when 585 persons were on the regular mailing list:

Distribution of Impact Information Center Reports

	<u>Number of Reports</u>	<u>Percent of Total</u>
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Total on Mailing List	585	
Total for Special Reports	645	

Where Impact Information Center Reports Are Sent:

Fairbanks North Star Borough	348	60%
Alaska, Outside Fairbanks North Star Borough	127	22%
Outside Alaska	103	18%

Who Receives Impact Information Center Reports:

Private Citizen	226	39%
Business or Organization	203	35%
University	66	11%
State Agency	60	10%
Federal Agency	32	6%
Press	17	3%
Legislators (for Special Reports Only)	57	

Along with this testimony, I have submitted copies of the Impact Information Center reports to the Berger Commission. Of course, I shall be happy to answer any questions about the contents of the reports, and the methods used in obtaining and analyzing the information contained therein.



## How the Information is Used

A survey of Impact Information Center report recipients in January, 1975, in which 50% of the recipients responded, indicated that 77% of the respondents had actually used information contained in the reports. Respondents indicated that they had used the information for planning and decision-making; as references in hearings, reports, and research; for news reporting; in agency reports; to support budget requests; and to let persons considering moving to Fairbanks know what to expect. A follow-up evaluation questionnaire was distributed in January, 1976. Those returns indicate that the information in the Impact Information Center reports is being used in nearly every area of the community: to certify the need for additional hospital services; to project church needs in Fairbanks; to help banks in economic forecasting; to assist in real estate appraisals; to make school enrollment projections and decisions about routing school buses; to aide in employee recruitment and as the basis for wage scales and employee benefits; to contribute to the decisions to open new businesses in Fairbanks; to support requests for fair computation of medicare reimbursements to elderly; to provide evidence for those writing environmental impact statements; to help citizens decide how to vote on local bond issues; and in numerous other ways.

One of the most dramatic effects of the Impact Information Center activities has been the responsiveness of the state government to problems documented in the Impact Information Center reports. The Lt. Governor and nearly every state commissioner, as well as local officials and agency personnel, joined 350 or more local citizens to discuss pipeline impact problems at a one day community forum on growth sponsored by the Social





Concerns Committee of the Fairbanks Council of Churches in April, 1975.

The former chairperson of the Impact Advisory Committee and the director of the Impact Information Center were active organizers of the forum.

Special report: Shortly after the special report on Alaska hire and minority hire was issued, for another example, the state Commissioner of Labor called the Impact Information Center to say that he had made a list of all the problems outlined in the report. He felt that the criticisms were valid and assigned his staff members to address each of the problems. Shortly thereafter, the state Department of Labor announced a new program for more effectively accomplishing the local hire provisions stipulated in the state laws. In another example, after the Impact Information Center had documented the need for more sanitarians in the Fairbanks area, the Governor immediately funded that portion of the budget request from the State Department of Health and Social Services.

### Operating Principles

Based upon my experiences with the Fairbanks North Star Borough's Impact Information Center, I would like to suggest some principles basic to the successful operation of such a program. Fundamental to these recommendations is the fact of life that the center is subject to local control; and, therefore, local politics. Another fundamental premise is that the effectiveness of the center is dependent upon its credibility and ability to communicate findings.

1. Consider every group and individual in the community as part of a "special interest group," whether or not it appears that they have the



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community interest at heart rather than personal interests. To avoid community politics and gain general acceptance, it is important not to be identified with any single "special interest." This may be accomplished by balancing activities with some types of special interest groups with attentions to opposite types of interests. Types of special interest groups in the community might include business/economic; church/social activist; conservationists; academic/university; labor/union; and ethnic groups.

2. An advisory committee or board of directors composed of representatives of broadly-based segments of the community is vitally important. This gives the organization more credibility and distributes the responsibility for activities to people who are known and respected in the community. In order for an advisory board to be effective, it must include representatives of potentially critical organizations.

3. To maintain credibility, it is imperative to limit activities to disseminating documented information, to minimize interpretations, and to avoid projections. Based upon accurate information, others can draw conclusions, make predictions, suggest policy, and recommend planning. If the applied social scientist is asked to become involved in planning processes, it is best to offer several alternatives, explaining the positive and negative aspects of each. In other words, the social scientist does not become a political threat if he/she lets somebody else take responsibility for decision-making.

4. If the information is to be used, it must be presented in a clear and understandable manner. Information is more likely to be used when written narratives are kept to a minimum, and charts and graphs are employed whenever appropriate. Statistical analysis is difficult for many



(. people to interpret and conceptualize. It is far more effective to present quantitative information using numbers and percentages. Social scientists who find this threatening to their sense of academic competence may prepare two reports: a detailed report for personal use and for people with specialized interest, and a more general and brief report for the public.

5. Vocabulary is exceedingly important. Words with neutral or positive connotations in academia can have negative connotations in other contexts. Try to understand community attitudes and political sensitivities, and select words which will not evoke hostilities. For example, I found that the words "research" and "study" send up red flags in this anti-intellectual community; whereas, the term "investigation" was acceptable. Similarly, I achieved greater acceptance by using the title "Information Officer" rather than "Research Associate."

In most cases the business/economic interests dominate politically. Explanations including concepts which are understood by the economic interests and which incorporate their values are more likely to be accepted. "Taxpayer's dollar" is a phrase which is used commonly by politicians, and can also be used effectively by social scientists.

6. You don't always have to be right. Try to avoid inaccuracies and mistakes; but, if somebody in the community accuses you of being wrong, don't become defensive. Remember:

- a. That person is becoming involved in the project - encourage his/her participation.
- b. That person is a source of information - seek the additional information he/she has to offer.





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- c. Criticism from your advisory board gives them a raison d'etre - if you are always right, that means they are powerless.
  - d. Your credibility is as much a function of process, as content - concentrate on developing strong relationships rather than strong arguments.
  - e. Don't worry about being embarrassed by mistakes - it makes you human.

7. News media seek sensational stories and quotations, so it is necessary to learn how to use the news media without letting them abuse you.

8. Be aware of the hierarchy within your system. Keep administrative persons posted on your activities and consult with them on decision-making matters. Do not consider your project to be outside the system. It is possible to do this and still maintain a fair amount of autonomy.

9. To maintain autonomy, I feel that it is important not to accept funding from any source which may directly benefit or be harmed by the potential results of your research. Even if the money is offered with no "strings" attached, other people in the community will assume that the source of funding may bias the results and therefore the credibility of the program may be damaged. For example, the Impact Information Center never sought money from the oil companies and it is my opinion that to do so would have been both inappropriate and detrimental.

10. There is a trade off between research effectiveness and community acceptance in terms of size of the program. The Impact Information Center could have been more effective at data gathering and analysis if we had had a larger staff. At the same time, a larger staff would have created



an image of a burgeoning bureaucracy which used taxpayers dollars in a wasteful manner. For different communities there are probably different combinations between the staff size appropriate to the task and the budget for which it is perceived that tax dollars are being used efficiently and effectively. One way to make a better program is to create more effective systems of data gathering at the state and federal level of government.

### Research Findings

Because Fairbanks is substantially larger than most of the communities which may be affected by a gas line through Canada, and because the proposed plans for a Canadian gas line are significantly different from the trans Alaska oil pipeline, it is likely that the specific impacts experienced by Fairbanks may not be applicable to the Canadian situation which you are examining. For this reason, and because the Berger Commission has been given copies of the Impact Information Center reports which relate the details of pipeline impact, I have chosen to summarize our research findings in terms of broad patterns and processes rather than specific events. I think that this may make our research findings more useful for you. Because of my own training, the concepts which I have chosen for explaining these patterns and processes are largely anthropological.

Carrying Capacity. One approach explaining the process by which the local group adjusts to these changes in the microenvironment, such as a major construction project like an arctic pipeline, is through the concept of carrying capacity. To summarize briefly here, the concept implies a relationship between population and resources. In the urban setting, resources must be defined to include the following:





1. Food;
2. Cultural constructs for survival (shelter, clothing, medicine);
3. That which permits the distribution of resources which are not immediately procured by the local population (transportation, communication);
4. Cultural constructs which provide social integration through which large numbers of persons can live together (government, law enforcement, socializing institutions, such as schools and churches, and so forth);
5. Knowledge which enables persons to function and survive in the cultural-ecological setting (science, leadership).

In urban areas, as well as in subsistence and agrarian economies, intensified or improved technology can increase the amounts of resources available to a population at a given time. The carrying capacity for each of the component resources is defined as the population density at which the demand for that resource exceeds the capacity of that resource at its current level of technological intensity and thus results in disintegration, or an inability of that resource to function in its designated role.

One of the more dramatic impacts of pipeline construction on Fairbanks has been that the population has exceeded the carrying capacity of many of the resources. For example, people are unable to obtain new telephones and the existing telephone system is malfunctioning most of the time. The necessary technology to increase the switching capacity of the telephone system takes two years to obtain and install. Similarly, electricity consumption has exceeded the generating and supply capacity of the local electric company. People may no longer obtain electric heat



in their homes, there are lengthy delays in obtaining new electric hook-ups, and electric outages are not uncommon. The electric company's inability to meet the needs may result in planned periodic blackouts in different areas of the community to reduce the electric load. Housing, for another example, is filled beyond capacity and new housing construction is inadequate to meet the needs. This has resulted in exorbitant rents and the changing residency patterns.

When their carrying capacity has been exceeded, resources experience disintegration. To some extent, the community collectively experiences disintegration and reintegrates into a new, or changed community. By measuring the carrying capacity of various resources, it may be possible to predict the levels at which disintegration would occur from additional demands created by introducing projects such as the trans Alaska oil pipeline into the microenvironment.

Structure of the community. The ways in which change occurs are dependent upon the structure of the community at the time in which the new force is introduced into the microenvironment.

Before the pipeline construction began, Fairbanks was a small town which was relatively isolated and which had managed to maintain a fairly constant social, political, and economic structure. Anchorage, by comparison, was a fast-growing town which had been experiencing change prior to the pipeline and was more flexible. Thus, Anchorage absorbed pipeline impact with less trauma than Fairbanks. Some of the changes brought about by the pipeline in Fairbanks included:



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A. Changes in the Political Structure

(1) New interest groups have formed (eg. Social Concerns Committee).

(2) New individuals within old groups have changed the power structure of those groups (eg. medical profession).

(3) New problems and goals have re-defined alliance networks (eg. zoning).

B. Changes in the Social Structure

(1) Patterns of participation in voluntary groups have changed (eg. labor unions).

(2) Greater employment opportunities have increased socio-economic mobility for some groups, especially teenagers, Natives, and women.

(3) The roles of social service organizations have changed so that there is less dependence upon government and a greater role for religious organization in providing social services.

C. Changes in Residence Patterns

(1) More families have persons living with them who are not members of the nuclear family.

(2) There is a proliferation of institutionalized communal living arrangements (rooming houses, hotels);

(3) And a proliferation of non-conventional housing (tents, trailers, cars, shacks, mobile homes).





- (4) Pipeline construction camps have created new residency patterns in that persons working on the pipeline reside away from their families for 9-13 weeks, with their families for 1-2 weeks.

#### D. Changes in Family Structure

- (1) Some of these changes result in part from changing residency patterns, such that when a person is absent from the family for the 9-13 week period, the spouse and children may assume different roles.
- (2) Patterns of caring for children have changed as a result of double-shifting in the schools, a shortage of institutionalized child care, and longer working hours.
- (3) Teenagers and women entering the workforce may result in changes in family structure.
- (4) Divorce rates have been 4-8 times greater since pipeline construction began.

These, of course, are only some of the changes in the structure of the community since pipeline construction began. At this time it is not known whether these changes will have short term or permanent consequences.

Decisions by the Community. The community is not necessarily a passive recipient of change. Communities may make decisions which affect the microenvironment, which in turn affects the macroenvironment, which then affects the community. For example, Fairbanks and the State of Alaska engaged in an active media campaign to discourage people without jobs from coming to Fairbanks, and thereby reduced or averted some of the potential problems. Fairbanks has some of the strongest temperature inversions in



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the world, which have created severe air quality problems. It was feared that the increased traffic resulting from pipeline impact would intensify the carbon monoxide and ice fog conditions. However, a plan to improve air quality which included changing traffic patterns downtown served to reduce carbon monoxide in the core area despite the pipeline-related traffic which has been as much as 130 percent more in some areas than prior to the pipeline.

### Conclusion

In conclusion, I would like to address a question which is often asked of me and for which my answer is often mis-interpreted and/or misquoted. The question is: "Over all, do you think that the pipeline has been positive or negative for the people of Fairbanks?" I hope that I have communicated in my testimony that my approach to assessing impact is that of a social scientist who is concerned about documenting facts and understanding processes. In order to do this, I have tried to eliminate value questions, such as "positive or negative," from my work. It is quite apparent to me that what is positive to one person or group of persons can at the same time be negative to another. For example, the high wages paid to pipeline workers are positive for those employed on the pipeline and negative for those on fixed incomes who must cope with the inflationary effects of such high wages.

It is my opinion that the overall affects of the pipeline on the community of Fairbanks cannot adequately be assessed for a few years until after all the data is in and there is some understanding of the long-term implications. At the same time, I realize that you are faced with making decisions which involve values. I welcome you to use the information





which we have prepared in making these decisions, but I caution you to be conscious that the values which you apply to the information are your own. While I am quite willing to accept responsibility for the quality of the information and the methods used in obtaining it, the responsibility of making value judgements about that information rests with the user.

Thank you.



## Research and Relevant Employment:

1975 to present

Self-employed consultant. Applied anthropological research for various organizations, such as the Joint Federal State Land Use Planning Commission, and the State of Alaska Office of the Attorney General.

4/76 to 10/76

Under contract with the State of Alaska Department of Community and Regional Affairs to write a book about the effects of the trans Alaska oil pipeline on the community of Fairbanks, Alaska.

5/75 to 4/76

Director, Fairbanks North Star Borough's Impact Information Center, a community-directed research organization to monitor and study the effects of construction of the trans Alaska oil pipeline on Fairbanks, Alaska, and to provide information to the community.

2/75 to 2/76

Consultant for Rural Pipeline Impact Information Project, a program conducted by the Fairbanks Town and Village Association for Economic Development, Inc., in conjunction with Tanana Chiefs Association and Fairbanks North Star Borough's Impact Information Center.

8/74 to 5/75

Research Analyst, Fairbanks North Star Borough's Impact Information Center.

Summer 1973

Dissertation research on communications patterns relating to birth control within the Tanana Service Unit of the Alaska Area Native Health Service; Alaska State Division of Public Health, Northern Region; and private and military health care in Fairbanks, Alaska.

Summer 1972

Dissertation research in Interior Alaska.

Summer 1971

Archeological field crew member, Gallagher Flint Station, North Slope, Alaska.

6/70 to 6/71

Laboratory Assistant, Department of Anthropology, University of Alaska, Fairbanks, Alaska.

Spring 1970

Temporary Director of Volunteers, Jewish Home for the Aged, San Francisco, California.

Fall 1969

Research Assistant and Interviewer for Dr. John B. Legler, Team Four, Inc., Urban Planning and Design Consultants, Clayton, Missouri.



## Publications and Papers:

Publications related to impact of the trans Alaska oil pipeline include contributions to Impact Information Center Reports, Nos. 5-25, 1974-1976 (Fairbanks: Fairbanks North Star Borough).

Dixon, Mim H. and Georgina Herron

1975 Alaska hire and minority hire on the pipeline. Impact Information Center Special Report, No. 1. Fairbanks: Fairbanks North Star Borough.

Dixon, Mim H.

1975 Pipeline impact in Fairbanks and the social roles of religious organization. Paper presented at the Alaska Anthropological Conference, Fairbanks, Alaska, March 14-15, 1975.

1975 Senior Citizens: the effects of pipeline construction on older persons living in Fairbanks. Impact Information Center Special Report No. 2. Fairbanks: Fairbanks North Star Borough.

1975 Impact Information Center, a community-directed research model. Environmental Sociology, No. 7. July, 1975. p. 25.

1975 Equal time for Homo Sapiens. Alaska Conservation Review, Fall, 1975.

1975 Pipeline Impact, culture change in modern complex society. Paper presented at the American Anthropological Association 74th Annual Meeting, December 3, 1975, San Francisco.

1975 Analyzing the impact of rapid change on culture in rural Native Alaska. Paper prepared for the Federal-State Land Use Planning Commission for Alaska under contract Ak-800-CT6-24.

ms The concept of carrying capacity in complex society.

## Professional Organization Memberships:

American Anthropological Association

American Association for the Advancement of Science, Alaska Chapter, Organizing Committee

American Public Health Association

Society for Applied Anthropology

Society for Medical Anthropology

Alaska Anthropology Association





Other Activities:

Advisory Board, Nurse Practitioner Program, Alaska Methodist University, 1975 to present.

Assisted in preparation of the Emergency Medical Services Proposal for Interior Alaska, 1974-75.

Steering Committee, Fairbanks Congress on Children, 1975.

Board of Directors, Tanana Valley Chapter of the American Red Cross, 1975-77.

Volunteer Counselor, Fairbanks Health Center, Family Planning Clinic.

Chairman, Mental Health Outreach Committee, KUAC television station, 1975.

Member, American Civil Liberties Union.

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# FAIRBANKS NORTH STAR BOROUGH

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## IMPACT INFORMATION CENTER, A COMMUNITY-DIRECTED RESEARCH MODEL

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### Abstract

Vast oil and natural gas resources in the American arctic are being developed to meet the nation's demand for domestic energy sources. The trans Alaska oil pipeline is a landmark in both resource development and construction. At its inception, it was the largest private construction project in history. Prior to federal approval of the trans Alaska oil pipeline, extensive environmental impact studies were made as required by the U.S. Environmental Protection Act of 1970. Although aspects of impact upon the "socioeconomic" environment were included in the environmental impact statement which was submitted to the U.S. Department of the Interior, little research was undertaken on the social impact of the pipeline construction prior to the actual event.

The Impact Information Center is studying the effects of construction of the trans Alaska oil pipeline on the community of Fairbanks, which is a principal administrative, supply, and transportation center for construction activities. By documenting certain social, cultural, economic, population, and other changes in Fairbanks resulting directly and indirectly from the pipeline project, this study may enhance the accuracy of social aspects of environmental impact statements for future resource development projects. It may also provide information which would help affected communities plan for impact and cope with its effects in a rational, systematic manner. And, the Impact Information Center provides a new model for community-directed research. This article describes the history and functions of the Impact Information Center and the role of the social scientist in this research setting.





## INTRODUCTION

Current and past administrations of the federal government have given high priority to making the United States more independent with respect to its sources of energy. Domestic production of oil has been encouraged to meet national energy needs. Thus, a sense of urgency surrounds the development of Alaska's oil and gas resources. Passage of the federal Trans Alaska Pipeline Authorization Act of 1974 paved the way for constructing a pipeline to carry oil from the oil fields of Prudhoe Bay on Alaska's northern coast to the port of Valdez on Alaska's southern coast.

Construction of the trans Alaska pipeline system was officially begun in April, 1974, although preliminary work began as early as 1968. Initial phases of construction required building a 361 mile gravel road from the Yukon River to Prudhoe Bay, which includes bridges over 20 major streams and rivers and a 2,300 foot bridge over the Yukon River. Other preliminary construction includes three permanent airfields, eight temporary airfields, fifteen permanent access roads, numerous temporary access roads, and nineteen construction camps. The second phase of the project, scheduled for completion in mid-1977, includes construction of a 799 mile long, 48 inch diameter steel pipeline from Prudhoe Bay to Valdez, eight pump stations along the route, and oil storage and tanker loading facilities at Valdez. The final stage of the project includes construction of four additional pipeline pump stations and more oil storage and tanker docking facilities at Valdez. Estimated completion date for the construction project is 1977.

The cost of the project is now estimated in excess of \$6 billion. Alyeska Pipeline Service Company, the firm hired by a consortium of seven oil companies to build and operate the trans Alaska oil pipeline has hired two construction management contractors, Bechtel, Inc., and Fluor Alaska, Inc. Twelve execution contractors have also been hired. An estimated 9,000 persons were to be employed directly on pipeline jobs by the end of 1974, with 22,000 jobs in 1975. Many management personnel and skilled tradesmen are being brought to Alaska to do the work. Most unions have negotiated contracts which provide a working period of nine to 13 weeks, with 10 hours of work for seven days per week, and a rest and recreation period of one to two weeks. This yields paychecks of \$1,000 to \$1,500 per week for laborers and skilled craftsmen. Management persons usually work schedules of eight weeks of work and two weeks of rest and recreation, with salaries in the range of \$30,000 to \$70,000 per year.



The Impact Information Center was conceived by the community, and its ultimate rationale is to serve the community by providing information about the community. Thus, the fundamental approach is to gather information on a broad range of activities within the community and to disseminate that information in the most expedient manner. The accumulated information also provides a basis for analytical interpretation within a theoretical framework.

Data collected by the Impact Information Center is reported to the public in monthly reports. In July, 1975, the eighteenth regular report was produced. The regular reports range in length from 20 to 30 pages, and cover a broad variety of topics, including housing, food prices, traffic, community services, and other areas. In addition to the regular reports, two special reports have been produced, one on minority and Alaska hire on the pipeline, and the other on the effects of the pipeline on Senior Citizens in Fairbanks.

Impact Information Center Reports are distributed to the news media; local, state, and federal agencies; and, persons who have requested that their names be placed on the mailing list. Currently there are approximately 500 persons on the mailing list. The Impact Advisory Committee meets with the Impact Information Center staff in monthly public meetings to review the reports and to suggest directions for additional research. Thus, the data regularly undergo the tests of public scrutiny.

In January, 1975, after the Impact Information Center had been in operation for six months, persons on the mailing list received an evaluation questionnaire. There was a 52.7% rate of return on the questionnaires. The results indicated that on the average, 3.3 persons read each copy. More than 77% of the respondents stated that they had actually used information contained in Impact Information Center reports. Some of the uses specified by the respondents included using the information for planning and decision-making; for reference in hearings, reports, or research; in news reporting; in agency reports; to support proposals or budget requests; to help people who are new to the community; and as part of speeches or programs. Every person responding to the questionnaire indicated a desire to remain on the Impact Information Center mailing list.

In addition to providing written reports, the Impact Information Center acts as a communications and referral center. Located in a storefront office in the heart of Fairbanks, the Impact Center serves as a walk-in center for local citizens and newcomers to Fairbanks. Traveling journalists, bureaucrats, and businessmen considering locating their businesses in Fairbanks, frequent the Center. Many persons telephone the Impact Information Center with questions, complaints, rumors, or information. And, the staff of the Impact Information Center is often asked to speak to local and visiting groups.



## METHODS

A variety of methods have been used to collect community data. These include the following:

1. A reporting system has been established in which local and state agencies send copies of their regular reports to the Impact Information Center.
2. The local newspaper and other major newspapers within the state, are reviewed daily and a file of newspaper clippings relating to the community, the impacts of the pipeline, and energy resource development is maintained.
3. Regular market basket surveys, heating-oil cost surveys, and surveys of rental prices advertised in the local newspaper are conducted to establish economic indices. In addition, information obtained by the Bureau of Labor Statistics in its Anchorage Consumer Price Index is utilized. A major activity of the Impact Center and its Advisory Committee has been to encourage the reestablishment of a consumer price index in Fairbanks.
4. Utilizing the dockets from the State Superior Court, filed divorce complaints are recorded monthly, and information from previous years is being collected in order that a time series analysis may be possible.
5. Interviews are conducted with local persons to obtain information on a variety of subjects, and local institutions are visited and observed.
6. Public meetings and hearings are attended to obtain both information and public expressions of sentiments.
7. Formal questionnaires are used occasionally to obtain information on specific problems, (e.g., a survey of high school students to determine their roles within the workforce, a survey of Senior Citizens to ascertain their pipeline-related problems, and a survey of local pipeline-related workers to determine their child care needs and solutions).
8. Local university students are encouraged to study impact phenomena or to do mini-ethnographies in areas which relate to pipeline construction and/or impact phenomenon. Their work is supervised and coordinated through the Impact Center, and the Center acquires copies of completed papers.





9. Impact Center staff participate in local groups, give speeches at meetings of various organizations, are interviewed on radio and television talk shows, and participate in community activities in other ways which help to create a positive image and a sense of trust which facilitates an informal communications network.
10. As the Impact Information Center has become recognized as a community resource, persons in the community or elsewhere with questions, problems, or information contact the Impact Center either by telephone or going directly to the Center. Persons in the community provide information not only in terms of data, but also by alerting the staff to community concerns.

Research methods are flexible and strive for the integration of qualitative and quantitative data. The financial and political constraints on the Impact Center prohibit a large research team which could provide greater depth of information. However, the relatively small size of the community, and the unique vantage point provided by the research setting, enables the applied anthropologist to view the community in a holistic manner not often afforded urban anthropologists.

#### ROLE OF THE SOCIAL SCIENTIST

The Impact Information Center offers a unique research setting which provides the social scientist with validity, access to information, and a sense of purpose. This type of applied anthropology requires certain skills not often taught in graduate school. To function effectively in this type of nonacademic setting, a minimal level of proficiency is required in practical politics, which often runs counter to academic training.

In the interest of stimulating dialogue between applied social scientists, this paper offers suggestions based upon the author's experiences as an applied anthropologist working for local government in a relatively small, conservative community.

Fundamental to these recommendations is the fact of life that the position, (i.e. funding), for the applied anthropologist is subject to local control; and, therefore, local politics. Another fundamental premise is that the anthropologist's effectiveness is dependent upon his/her credibility and ability to communicate findings.

1. Consider every group and individual in the community as part of a "special interest group," whether or not it appears that they have the community interest at heart rather than personal interests. To avoid community politics and gain general acceptance, it is important not to be identified with any single "special interest." This may be accomplished by balancing activities with some types of special interest groups with attentions to opposite types of interests. Types of special interest groups in the community might include business/economic; church/social activist; conservationists; academic/university; labor/union; and ethnic groups.



2. An advisory committee or board of directors composed of representatives of broadly-based segments of the community is vitally important. This gives the organization more credibility and distributes the responsibility for activities to people who are known and respected in the community. In order for an advisory board to be effective, it must include representatives of potentially critical organizations.

3. To maintain credibility, it is imperative to limit activities to disseminating documented information, to minimize interpretations, and to avoid projections. Based upon accurate information, others can draw conclusions, make predictions, suggest policy, and recommend planning. If the applied social scientist is asked to become involved in planning processes, it is best to offer several alternatives, explaining the positive and negative aspects of each. In other words, the social scientist does not become a political threat if he/she lets somebody else take responsibility for decision-making.

4. If the information is to be used, it must be presented in a clear and understandable manner. Information is more likely to be used when written narratives are kept to a minimum, and charts and graphs are employed whenever appropriate. Statistical analysis is difficult for many people to interpret and conceptualize. It is far more effective to present quantitative information using numbers and percentages. Social scientists who find this threatening to their sense of academic competence may prepare two reports: a detailed report for personal use and for people with specialized interest, and a more general and brief report for the public.

5. Vocabulary is exceedingly important. Words with neutral or positive connotations in academia can have negative connotations in other contexts. Try to understand community attitudes and political sensitivities, and select words which will not evoke hostilities. For example, I found that the words "research" and "study" send up red flags in this anti-intellectual community; whereas, the term "investigation" was acceptable. Similarly, I achieved greater acceptance by using the title "Information Officer" rather than "Research Associate."

In most cases the business/economic interests dominate politically. Explanations including concepts which are understood by the economic interests and which incorporate their values are more likely to be accepted. "Taxpayer's dollar" is a phrase which is used commonly by politicians, and can also be used effectively by social scientists.

6. You don't always have to be right. Try to avoid inaccuracies and mistakes; but, if somebody in the community accuses you of being wrong, don't become defensive. Remember:

- a. That person is becoming involved in the project--encourage his/her participation.
- b. That person is a source of information--seek the additional information he/she has to offer.
- c. Criticism from your advisory board gives them a raison d'etre - if you are always right, that means they are powerless.





- d. Your credibility is as much a function of process, as content--concentrate on developing strong relationships rather than strong arguments.
- e. Don't worry about being embarrassed by mistakes--it makes you human.

7. There are both academic and nonacademic approaches to accomplishing similar goals. For example, academic proposal-writing and grantmanship is quite different from the means by which one obtains funds for nonacademic institutions.

8. Applied social scientists must become more media conscious. News media seek sensational stories and quotations, so it is necessary to learn how to use the news media without letting them abuse you.

9. Be aware of the hierarchy within your system. Keep administrative persons posted on your activities and consult with them on decision-making matters. Do not consider your project to be outside the system. It is possible to do this and still maintain a fair amount of autonomy.

Perhaps other applied social scientists can draw upon their own experiences to add to this list of suggestions.

#### SUMMARY

Forging a role for an applied anthropologist in a community-directed research setting is incredibly challenging. The Impact Information Center provides an exciting opportunity for research with continual sharing and evaluation on the part of the research population. Monitoring the effects of pipeline construction through the Impact Information Center may be considered the data-gathering stage of this research. Since the community prefers to utilize the data with a minimum of analysis and interpretation, the next phase of the research effort will probably take place in a different setting. The data-gathering stage is probably most useful to the local community; whereas, the synthesis, analysis, and interpretation will be more beneficial to the academic community, planners, and persons involved in social impact assessment.

Although this researcher is anxious to move into an analysis of the data, one or two years of data gathering is not unusual in social science research. What may be unusual is that the process of data gathering is as personally gratifying as it is in the Impact Information Center.



## PIPELINE IMPACT, CULTURE CHANGE IN MODERN COMPLEX SOCIETY\*

Mim Dixon<sup>+</sup>

As social scientists are being called upon by the United States and other complex modern societies to assist in planning related to culture change, the need for a predictive model for culture change in modern complex society is becoming urgent. It appears that anthropology has gone the furthest toward developing a tradition of model building related to culture change. However, most of the emphasis on predictive models and most of the theoretical developments have come from archeologists and prehistorians, who have restricted themselves for the most part to subsistence and agrarian economies.

If complex society is considered to be one end of a conceptual continuum with subsistence economies at the other end, it may be assumed that a viable model would fit all points on that continuum. The concepts of culture which have been defined by anthropologists in relation to non-Western societies are no less applicable to Western culture. Following Barnes (1954), Redfield (1955), Bennett (1967), and Frake (1962), in this paper complex society is defined as one in which the social environment is an extensive network and contains forces which exert dominant pressures

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which shape the changes in the culture. By contrast, in subsistence economies the social environment is somewhat more limited and the natural environment contains the dominant forces which shape changes in the local group.

Based upon research on culture change occurring as a result of construction of the trans Alaska oil pipeline on the community of Fairbanks, Alaska, this paper considers three components needed for a model of culture change in modern complex society. Two of the components stem directly from anthropological traditions, namely cultural ecology and structural-functionalism. The third component is analagous to feedback mechanisms, a factor which is often overlooked by anthropologists who tend to view predictive models as deterministic despite the growing body of literature related to decision-making:

Construction of the trans Alaska oil pipeline system was officially begun on April, 1974, although preliminary work began as early as 1968. At its inception, it was called the largest private construction project in history. To transport oil from Prudhoe Bay at the northern coast of Alaska to the southern Alaskan port of Valdez requires in addition to the construction of a 798-mile long 48-inch diameter pipe, the construction of a 361 mile gravel road, bridges over 20 major streams, a 2,300 foot bridge over the Yukon River, three permanent airfields, eight temporary air fields, 15 permanent access roads, numerous temporary access roads, 19 construction camps, eight pump stations, and oil storage and tanker loading facilities. The cost of the project is now estimated in excess of \$6 billion.

At the peak of the construction season last summer, an





estimated 22,000 people were working directly on the pipeline project. Most unions have negotiated contracts which provide for a working period of 9 to 13 weeks, with 10-12 hours of work each day, and a rest and recreation period of one to two weeks. This yields paychecks of \$1,000 to \$1,500 per week for laborers and skilled craftsmen.

Fairbanks, Alaska, is the primary supply and administrative center for construction of the northern segment of the pipeline, and therefore it is one of the communities most affected. Surplus buildings in the local army base have been converted into construction headquarters for the trans Alaska pipeline project. Approximately 520 project management personnel are located there. Additional facilities on the post are being used for a construction camp accommodating 1,360 workers, many of whom work at the pipe storage yard located in Fairbanks. In addition, union halls located in Fairbanks are the primary source of job referral for more than 16,000 pipeline jobs. Since the supply of available labor is greater than the number of pipeline jobs, some of the unions have waiting lists of 3,000 people or more.

According to the 1970 Census, the Fairbanks North Star Borough was inhabited by approximately 45,000 persons and government was the major employer. With the commencement of pipeline construction activities, the population has swelled to an estimated 63,000 persons, in addition to the numerous transients who pass through Fairbanks on their ways to and from the pipeline construction camps or to do pipeline-related business. A more accurate assessment of the population increase will be available after a special census is conducted in September, 1976.

Direct and indirect effects of pipeline construction upon the



Fairbanks community are called "impact." To help the community cope with impact, to quell impact rumors, and to aid in formulating policy, the Fairbanks North Star Borough established an Impact Information Center in July, 1974. In what is essentially a community-directed research model, I have been fortunate to study culture change in Fairbanks in conjunction with the Impact Information Center for the past 17 months.

The cultural ecology paradigm is perhaps the most fitting approach for analyzing changes in Fairbanks. The ecological model is one in which the universe, as defined by the problem at hand, is separated into two basic divisions: a system and its environment. In this case, the system is comprised of the people residing in the Fairbanks North Star Borough and the patterns of interrelationship which define their culture. The environment is then taken to be the natural, physical, and social environments which provide a context for the events taking place within the borough. Following Bennett (1964), we can make the distinction between the microenvironment and the macroenvironment, both of which are interrelated in this complex society. It was changes in the macroenvironment, particularly with regard to the world oil market, national energy policy and foreign policy, and the emergence of the State of Alaska as an energy producer, which brought about the exploitation of North Slope hydrocarbon resources, which led to the changes in the microenvironment.

The focus of this paper, however, is on the microenvironment and the processes by which changes in the microenvironment have led to changes in the system, that is the culture of the people residing in





the Fairbanks area.

In the microenvironment, changes in the natural environment include changes in land use, and utilization of resources, both of which are a result of human activity. The primary changes in the social environment have been a rapid in-migration of people, the creation of new jobs which have caused shifts in economic activities, and stronger ties between the microenvironment and the macroenvironment

Carrying Capacity. One approach explaining the process by which the local group adjusts to these changes in the microenvironment is through the concept of carrying capacity. I have developed the concept of carrying capacity in relation to modern complex societies more fully in another paper (Dixon ms.). To summarize briefly here, the concept implies a relationship between population and resources. In the urban setting, resources must be defined to include the following:

1. Food;
2. Cultural constructs for survival (shelter, clothing, medicine);
3. That which permits the distribution of resources which are not immediately procured by the local population (transportation, communication);
4. Cultural constructs which provide social integration through which large numbers of persons can live together (government, law enforcement, socializing institutions, such as schools and churches, and so forth);
5. Knowledge which enables persons to function and survive in the cultural-ecological setting (science, leadership).

In urban areas, as well as in subsistence and agrarian economies, intensified



or improved technology can increase the amounts of resources available to a population at a given time. The carrying capacity for each of the component resources is defined as the population density at which the demand for that resource exceeds the capacity of that resource at its current level of technological intensity and thus results in disintegration, or an inability of that resource to function in its designated role.

One of the more dramatic impacts of pipeline construction on Fairbanks has been that the population has exceeded the carrying capacity of many of the resources. For example, people are unable to obtain new telephones and the existing telephone system is malfunctioning most of the time. The necessary technology to increase the switching capacity of the telephone system takes two years to obtain and install. Similarly, electricity consumption has exceeded the generating and supply capacity of the local electric company. People may no longer obtain electric heat in their homes, there are lengthy delays in obtaining new electric hook-ups, and electric outages are not uncommon. The electric company's inability to meet the needs may result in planned periodic blackouts in different areas of the community to reduce the electric load. Housing, for another example, is filled beyond capacity and new housing construction is inadequate to meet the needs. This has resulted in exorbitant rents and the changing residency patterns.

When their carrying capacity has been exceeded, resources experience disintegration. To some extent, the community collectively experiences disintegration and reintegrates into a new, or changed community. By measuring the carrying capacity of various resources, it may be possible to predict the levels at which disintegration would



occur from additional demands created by introducing projects such as the trans Alaska oil pipeline into the microenvironment.

Structure of the community. The ways in which change occurs are dependent upon the structure of the community at the time in which the new force is introduced into the microenvironment.

Before the pipeline construction began, Fairbanks was a small town which was relatively isolated and which had managed to maintain a fairly constant social, political, and economic structure. Anchorage, by comparison, was a fast-growing town which had been experiencing change prior to the pipeline and was more flexible. Thus, Anchorage absorbed pipeline impact with less trauma than Fairbanks. Some of the changes brought about by the pipeline in Fairbanks included:

A. Changes in the Political Structure

- (1) New interest groups have formed (eg. Social Concerns Committee).
- (2) New individuals within old groups have changed the power structure of those groups (eg. medical profession).
- (3) New problems and goals have re-defined alliance networks (eg. zoning).

B. Changes in the Social Structure

- (1) Patterns of participation in voluntary groups have changed (eg. labor unions).
- (2) Greater employment opportunities have increased socio-economic mobility for some groups, especially teenagers, Natives, and women.





- (3) The roles of social service organizations have changed so that there is less dependence upon government and a greater role for religious organizations in providing social services.

#### C. Changes in Residence Patterns

- (1) More families have persons living with them who are not members of the nuclear family.
- (2) There is a proliferation of institutionalized communal living arrangements (rooming houses, hotels);
- (3) And a proliferation of non-conventional housing (tents, trailers, cars, shacks, mobile homes).
- (4) Pipeline construction camps have created new residency patterns in that persons working on the pipeline reside away from their families for 9-13 weeks, with their families for 1-2 weeks.

#### D. Changes in Family Structure

- (1) Some of these changes result in part from changing residency patterns, such that when a person is absent from the family for the 9-13 week period, the spouse and children may assume different roles.
- (2) Patterns of caring for children have changed as a result of double-shifting in the schools, a shortage of institutionalized child care, and longer working hours.
- (3) Teenagers and women entering the workforce may result in changes in family structure.



(4) Divorce rates have been 4-8 times greater since pipeline construction began.

These, of course, are only some of the changes in the structure of the community since pipeline construction began. At this time it is not known whether these changes will have short term or permanent consequences.

Decisions by the Community. The community is not necessarily a passive recipient of change. Communities may make decisions which affect the microenvironment, which in turn affects the macroenvironment, which then affects the community. For example, Fairbanks and the State of Alaska engaged in an active media campaign to discourage people without jobs from coming to Fairbanks, and thereby reduced or averted some of the potential problems. Fairbanks has some of the strongest temperature inversions in the world, which have created severe air quality problems. It was feared that the increased traffic resulting from pipeline impact would intensify the carbon monoxide and ice fog conditions. However, a plan to improve air quality which included changing traffic patterns downtown served to reduce carbon monoxide in the core area despite the pipeline-related traffic which has been as much as 130 percent more in some areas than prior to the pipeline.

Thus, a predictive model must take into account the choices a community may make to affect its future.

Summary. Research on the impacts of pipeline construction on the community of Fairbanks, Alaska, suggests that a predictive model of culture change in modern complex societies may include the following components: a cultural ecology framework in which the social environment is a dominant force and for which the concept of carrying capacity may





prove useful; an assessment of the structure of the community prior to the introduction of change agents; and allowances for the decisions a community may make to affect its future. Development of such a model to predict culture change in modern complex societies may lead to a better understanding of the dynamics of change in all types of cultures.

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## Fairbanks North Star Borough

### Impact Information Center

#### A Case History

#### Historical Background

Passage of the federal Trans Alaska Pipeline Authorization Act of 1974 paved the way for constructing a pipeline to carry oil from the oil fields of Prudhoe Bay on Alaska's northern coast to the port of Valdez on Alaska's southern Coast, the largest private construction project in history. The pipeline construction project began in April 1974 with Fairbanks North Star Borough as the principal administrative, supply, and transportation center for construction activities.

Just prior to the inauguration of pipeline construction activities, the Social Concerns Committee of the Fairbanks Council of Churches held a community meeting to which representatives of the oil industry were invited to describe the ways in which the communities in the Fairbanks North Star Borough would be affected by the construction activities. This meeting provided a forum for public discussion in which there was an expression of need for additional and on-going information about the affects of pipeline activities on the local communities. The Social Concerns Committee, along with other concerned individuals, organized support for an Impact Information Center as part of the Fairbanks North Star Borough government services.

Charles Parr, who was then presiding officer of the Fairbanks North Star Borough Assembly, developed a schematic for such an office. Mr. Parr envisioned a center whose purpose is to collect and disseminate



information, "it does not forecast, predict, project, extrapolate, or otherwise attempt to indicate the shape of the future." According to the schematic:

The sole measures of success of the Impact Information Center will be how well it serves the whole community: the businessman deciding whether to expand his operations, the man who builds three houses and sells them each summer, the senior citizen on a fixed income who must decide whether or not to leave for the Lower 48 because of prices, the school authorities wanting to know how many teachers to hire, hospital administrators with staffing problems, Goldpanners who may need additional seating in the ball park, and welfare recipients whose incomes always lag behind the rising cost of living."

Borough Mayor John A. Carlson supported the idea in a memorandum to the Borough Assembly in which he further refined the concept of an Impact Information Center. He defined three basic purposes for such a center:

- 1) to provide the general public with information relevant to pipeline activity which "could or will affect their personal, occupational, business, financial and recreational affairs";
- 2) to provide the borough assembly and administration with "factual data to aid them in conceiving and formulating public policy designed to cope with pipeline impact"; and
- 3) to present information as rationale to support requests for state, and possibly federal, impact funds or services.

The mayor also recommended that a broadly-based steering committee be appointed to guide the proposed information center.

On April 25, 1974, the Fairbanks North Star Borough Assembly appropriated \$13,450 from the general fund to the Mayor's Office for the purpose of establishing an Impact Information Center and operating it for the remainder of the fiscal year. The Borough Assembly later decided to use a portion of the impact funds received from the State of





Alaska to support the Impact Information Center, and thereby appropriated an additional \$49,198 to operate the Impact Information Center during FY1974/75.

The original Impact Advisory Committee, appointed by the mayor to guide the Impact Information Center, represents a cross section of the community, including chairman of the Social Concerns Committee of the Fairbanks Council of Churches; President of the Fairbanks Chamber of Commerce; Community Relations Representative for the Alyeska Pipeline Service Company; Vice President of Doyon, Ltd., the regional Native corporation; and Presiding Officer of the Borough Assembly. Later the committee was expanded to include a consumer representative; a representative of the Black community; and a representative of the Joint Labor Council. Since the original committee was formed, there have been several changes in membership, but the broad representation of various parts of the Fairbanks community has been maintained. At its inception the committee met with the Impact Information Center staff, the press, and the public two times each month. Later the public meetings were held once a month.

The Impact Information Center began with a two-person staff. A veteran political journalist was the Information Officer, assisted by a secretary. Shortly after the office began, an applied anthropologist joined the staff through the use of CETA funds. Eight months later, the Impact Information Center had proved itself and it was decided that there



was a need for a rural impact information project for the Interior of Alaska outside the Fairbanks North Star Borough. By contractual arrangement, the applied anthropologist on the Impact Information Center staff also served as a consultant to the rural program.

At the end of the first fiscal year of the Impact Information Center, the state impact funds lapsed and the Borough Assembly decided to appropriate the funds out of general revenues to continue the program. The State of Alaska ascertained that the Impact Information Center was providing valuable information to state agencies and decided to add \$10,000 to the Impact Center budget. Additional funds were secured through contractual services with the rural impact information project. The anthropologist became director and the secretarial position was amalgamated into an Information Assistant position with responsibilities for working with the public and assisting in research, as well as clerical duties.

In its brief history, the Fairbanks North Star Borough Impact Information Center has become a model for similar programs in Alaska and in other areas which are experiencing dramatic change resulting from rapid, capital-and-labor-intensive, resource development.

#### Summary of Program Accomplishments

Located in a store-front office in the heart of downtown Fairbanks, the Impact Information Center serves local citizens seeking information or referrals, businessmen, state and federal agency people, journalists, and other interested people.

A major activity of the Impact Information Center is to collect





information about changes in the community which may have resulted directly or indirectly from pipeline activities. A variety of methods have been used to collect community data. These include the following:

1. A reporting system has been established in which local and state agencies send copies of their regular reports to the Impact Information Center.
2. The local newspaper and other major newspapers within the state, are reviewed daily and a file of newspaper clippings relating to the community, the impacts of the pipeline, and energy resource development is maintained.
3. Regular market basket surveys, heating-oil cost surveys, and surveys of rental prices advertised in the local newspaper are conducted to establish economic indices. In addition, information obtained by the Bureau of Labor Statistics in its Anchorage Consumer Price Index is utilized. A major activity of the Impact Center and its Advisory Committee has been to encourage the reestablishment of a consumer price index in Fairbanks.
4. Utilizing the dockets from the State Superior Court, filed divorce complaints are recorded monthly, and information from previous years is being collected in order that a time series analysis may be possible.
5. Interviews are conducted with local persons to obtain information on a variety of subjects, and local institutions are visited and observed.



6. Public meetings and hearings are attended to obtain both information and public expressions of sentiments.
7. Formal questionnaires are used occasionally to obtain information on specific problems, (e.g., a survey of high school students to determine their roles within the workforce, a survey of Senior Citizens to ascertain their pipeline-related problems, and a survey of local pipeline-related workers to determine their child care needs and solutions).
8. Local university students are encouraged to study impact phenomena. Their work is supervised and coordinated through the Impact Center, and the Center acquires copies of completed papers.
9. Impact Center staff participate in local groups, give speeches at meetings of various organizations, are interviewed on radio and television talk shows, and participate in community activities in other ways which help to create a positive image and a sense of trust which facilitates an informal communications network.
10. As the Impact Information Center has become recognized as a community resource, persons in the community or elsewhere with questions, problems, or information contact the Impact Center either by telephone or going directly to the Center. Persons in the community provide information not only in terms of data, but also by alerting the staff to community concerns.

Research methods are flexible and strive for the integration of qualitative and quantitative data. The financial and political constraints



on the Impact Center prohibit a large research team which could provide greater depth of information. However, the relatively small size of the community, and the unique vantage point provided by the research setting, permits a holistic view of changes in the community.

Information collected by the Impact Information Center is disseminated in several ways. People call or visit the Center, some information is exchanged through correspondence, and the staff of the Impact Center gives speeches and presentations to the groups in the Fairbanks area. Much information is disseminated through the news media coverage of the monthly Impact Advisory Committee meetings.

The major focus of activities and the major source of dissemination of information is through the publication of regular reports. In the 19 months that the Impact Information Center has been in existence, it has produced 23 regular reports which cover over 100 topics including such areas as tax revenues, highway traffic, airport activities, population estimates, prices, housing, crime, employment, youth, and many others. In addition, three special reports have been prepared: "Alaska Hire and Minority Hire on the Pipeline," "Senior Citizens: The Effects of Pipeline Construction on Elderly Persons Living in Fairbanks," and "Questions and Answers About the Cost of Living in Fairbanks." Reports are distributed to borough administrators and assemblymen, to others upon request, and to persons who have requested that their names be placed on the mailing list.

By August, 1975, 585 persons had requested that their names be placed on the mailing list for Impact Information Center reports. A survey of report recipients indicated that on the average each copy of the report which was mailed was read by 3.3 persons. The distribution of the reports through the mailing list is given in the table on the following page:





### Distribution of Impact Information Center Reports

	<u>Number of Reports</u>	<u>Percent of Total</u>
Total on Mailing List	585	
Total for Special Reports	645	
<u>Where Impact Information Center Reports Are Sent:</u>		
Fairbanks North Star Borough	348	60%
Alaska, Outside Fairbanks North Star Borough	127	22%
Outside Alaska	103	18%
<u>Who Receives Impact Information Center Reports:</u>		
Private Citizen	226	39%
Business or Organization	203	35%
University	66	11%
State Agency	60	10%
Federal Agency	32	6%
Press	17	3%
Legislators (for Special Reports Only)	57	

A survey of Impact Information Center report recipients in January, 1975, in which 50% of the recipients responded, indicated that 77% of the respondents had actually used information contained in the reports. Respondents indicated that they had used the information for planning and decision-making; as references in hearings, reports, and research; for news reporting; in agency reports; to support budget requests; and to let persons considering moving to Fairbanks know what to expect. A follow-up evaluation questionnaire was distributed in January, 1976. The early returns indicate that the information in the Impact Information Center reports is being used in nearly every area of the community: to certify the need for additional hospital services; to project church needs in Fairbanks; to help banks in economic forecasting; to assist in real estate appraisals; to make school enrollment projections and decisions about routing school buses; to aide in employee recruitment and as the basis for wage scales and employee benefits; to contribute to the decisions to open new businesses



in Fairbanks; to support requests for fair computation of medicare reimbursements to elderly; to provide evidence for those writing environmental impact statements; to help citizens decide how to vote on local bond issues; and in numerous other ways.

One of the most dramatic effects of the Impact Information Center activities has been the responsiveness of the state government to problems documented in the Impact Information Center reports. The Lt. Governor and nearly every state commissioner, as well as local officials and agency personnel, joined 350 or more local citizens to discuss pipeline impact problems at a one day community forum on growth sponsored by the Social Concerns Committee of the Fairbanks Council of Churches in April, 1975. The former chairperson of the Impact Advisory Committee and the current director of the Impact Information Center were active organizers of the forum.

Shortly after the special report on Alaska hire and minority hire was issued, for another example, the state Commissioner of Labor called the Impact Information Center to say that he had made a list of all the problems outlined in the report. He felt that the criticisms were valid and assigned his staff members to address each of the problems. Shortly thereafter, the state Department of Labor announced a new program for more effectively accomplishing the local hire provisions stipulated in the state laws. In another example, after the Impact Information Center had documented the need for more sanitarians in the Fairbanks area, the Governor immediately funded that portion of the budget request from the State Department of Health and Social Services.





### Future Prospects

The Impact Information Center was established to meet a specific, immediate need created by construction of the trans Alaska oil pipeline. It is anticipated that after the pipeline construction has been completed and the Impact Information Center is no longer needed, it will be discontinued.

However, the Impact Information Center has served as a demonstration project which has made some members of the community aware of the benefits of a community information program. Several groups have proposed that the concept of the Impact Information Center be continued through a more general community information center, possibly associated with the new borough library which is currently in the initial planning phase.













# MACKENZIE VALLEY PIPELINE INQUIRY

## SUMMARY OF EVIDENCE

Presented by Barry J. Ashton on behalf of the  
Northwest Territories Chamber of Commerce

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### Financing Problems and Recommendations.

#### A. Introductory Comments:

I believe the main thrust of our presentation to be "maximum participation of Northern business in development in the Northwest Territories". To realize this goal, resources must be made readily available to enable the businessperson to compete on an equal basis with others. One of these resources is financing.

#### B. Major Sources of Capital

##### 1. Chartered Banks

A good working relationship with a bank is a major criterion of operating a successful business. Most communities in the north, even small ones, are served by a bank. Any problems in developing this good working relationship seem to arise from:

- a) Frequent change of managers
- b) Unfamiliarity of northern development by regional offices
- c) Inexperience of some bank managers in the area of commercial finance.

If the banks were encouraged to provide managers for a longer period of time the latter two difficulties would be rec-



tified to a large degree.

## 2. Credit Unions

Credit Unions are new in the Northwest Territories; are expanding their loan facilities to business and thus providing a required competitive source of financing.

## 3. Government Loan Funds

Business in the north frequently relies on Government Loan Funds to provide financing not available from other sources because of the degree of risk or the financing term required.

These funds include:

- a) Federal Business Development Bank
- b) Small Business Loan Fund
- c) Indian Economic Development Loan Fund
- d) Eskimo Loan Fund

I would recommend on behalf of the Northwest Territories Chamber of Commerce the following changes to streamline the administration and equality of these funds.

i) The establishment of a permanent Yellowknife office of the Federal Business Development Bank.

ii) Broaden the scope of the Government of the Northwest Territories loan funds to provide additional inventory financing.

iii) Increase the loan limit of the Small Business Loan Fund to \$100,000.

iv) Equalize the rate of interest on financing from the three Government of the Northwest Territories Loan Funds.

## 4. Mortgage Funds

Mortgage funding appears to be in adequate supply at the present time which was not the case while the report was being





prepared. However, consideration must be given to ensure the availability of mortgage financing during a period of growth. The structuring of maximum mortgage amounts within the Northwest Territories to suit isolated communities is also required.

#### 5. Finance Companies

Finance companies have been active in the past, and I expect will continue to provide equipment financing in the future.

#### C. Concluding Comments

Above all, adequate lead time must be provided on all development projects to enable the business people to analyze and obtain the required financing. The aforementioned recommendations, I believe, will assist the Northerner to participate in pipeline development.

#### Miscellaneous Considerations

Crown Corporations are a fact of life and necessary in Northern Canada. My opinion is expressed very well by the Canadian Chamber of Commerce in its Policy Statement.

" That the Federal Government discourage expansion of Crown Corporations into service areas where competitive enterprise is able, and willing, to provide the service to adequate standard and at an acceptable cost".

This restriction on expansion by Crown Corporations, is necessary to promote industrial and commercial progress in Northern Canada.



Barry J. Ashton

Personal Resume

Personal

Age 29, married, three children

Present Status

Resident Partner- Fraser Matthews & Co. Chartered Accountants

Hay River

Director- Northwest Territories Chamber of Commerce

Director- Mackenzie Pipeline Business Opportunities Board

President- Hay River Chamber of Commerce

History

Born- Moose Jaw

1966-1968- Student Accountant with Coopers Lybrand & Co

Chartered Accountants Moose Jaw, Regina

1968-1971- Student Accountant with Price Waterhouse & Co.

Chartered Accountants Edmonton, Alberta

1970- Obtained Chartered Accountant degree- Member of Alberta

Institute of Chartered Accountants

1971-1976- Resident Partner with Fraser Matthews & Co. Hay River

Northwest Territories









THE PROBLEMS OF RESIDENT NORTHERN BUSINESSES  
AND THEIR POTENTIAL PARTICIPATION IN THE  
PROPOSED HYDROCARBON INDUSTRY DEVELOPMENT

Summary of Evidence of  
William Grant Hinchey

Presented on Behalf of  
The Northwest Territories Chamber of Commerce  
Mackenzie Valley Pipeline Inquiry  
Yellowknife, N.W.T.



## I. TENDERING AND ADMINISTRATION OF CONTRACTS, PROBLEMS AND RECOMMENDATIONS

### 1. Tender Notices:

Concern was expressed by a number of respondents that some contracts are advertised in a manner which gives advantage to southern bidders. In this context, the northern businessman often finds that when he becomes aware of a certain contract, there is little time to prepare and submit a bid. Moreover, any contract in the North requires additional lead time due to the inavailability of supplies and equipment.

#### Recommendations:

- i. A SYSTEM IS REQUIRED TO ENSURE THAT ALL NORTHERN BUSINESSMEN ARE MADE AWARE OF CONTRACTS TO BE LET AT THE LOCAL LEVEL IN PARTICULAR AND THE REGIONAL OR TERRITORIAL LEVEL IN GENERAL. The ideal vehicle to achieve this objective would be a bid depository, the creation of which we strongly recommend.
- ii. IT IS FURTHER RECOMMENDED THAT TENDERS SHOULD BE ADVERTISED IN THE NORTH PRIOR TO SOUTHERN CANADA, THAT NORTHERN BIDDERS BE GIVEN A LONGER PERIOD OF TIME IN WHICH TO PREPARE AND SUBMIT THEIR CONTRACT PROPOSAL, AND THAT TENDERS BE CLOSED IN THE NORTH AT THE BID DEPOSITORY.
- iii. BASED ON OUR COMPILATION OF BUSINESSES AND THEIR CAPABILITIES, A LIST OF FIRMS ELIGIBLE FOR SPECIFIC CONTRACTS SHOULD BE DRAWN UP AND AN "INVITATION TO TENDER" BE ADDRESSED TO FIRMS WHO ARE CAPABLE OF TENDERING ON CONTRACTS IN THEIR FIELD OF COMPETENCE.
- iv. IMMEDIATE NOTIFICATION OF CONTRACT AWARDS SHOULD BE ENDEAVORED.

### 2. Bonding:

An important issue related to the above concerns bonding. Some northern businessmen argued that even if they were capable of completing large contracts, bonding would be difficult to obtain. Performance and material bonding is required for most



government contracts. Although many businesses have never applied, either because of their limited size or other reasons, those contractors who have applied have found it extremely difficult and only few have been successful.

The contracting companies in the Northwest Territories are relatively new corporations. They are continuously expanding by reinvesting profits to increase and upgrade their operational assets, causing a severe drain on working capital. Inadequate working capital, by surety company standards, is a major reason why bonding applications are rejected. Thus, small and medium sized expanding corporations are penalized because they choose to reinvest corporate profits.

This is also an increasing concern in Alaska as the underwriters' requirements North of the 60th parallel are far in excess of those in the South.

It is worthwhile to point out, however, that this difficulty is experienced throughout the country by new businesses without a proven "track record". Initial bonding is always the most difficult to obtain. The problem is probably more serious here since, to our knowledge, there are only two surety companies who have any interest in writing bonds in the N.W.T.

It can be concluded from the above that many contractors are excluded from bidding some contracts simply because of the large dollar value and stringent bonding requirements.

We received several suggestions from interviewees on this matter but many, if implemented, would have had the effect of nullifying the original intent of the bonding concept.

We note, however, that some provincial governments offer assistance to contractors by way of bid depositories or by direct bonding via a provincial government insurance corporation. There is no assistance of this nature in the N.W.T.

Finally, some municipalities, when tendering contracts, purchase the materials for use by the contractor. The contract then becomes a service contract and the contractor's working capital is not tied up in materials.





Recommendations:

The inability to obtain bonding should not unduly restrict the participation of northern business in pipeline development. Accordingly, we propose flexible solutions of both a medium and long term nature.

- i. OVER THE LONGER TERM, WE ENCOURAGE MORE SURETY COMPANIES TO UNDERTAKE PERFORMANCE BONDING IN THE TERRITORIES.
- ii. ALTERNATIVELY, SHOULD INCREASED COMPETITION IN THIS AREA FAIL TO MATERIALIZE, WE RECOMMEND FOR CONSIDERATION, THE ESTABLISHMENT OF A TERRITORIAL INSURANCE CORPORATION FOR THE SOLE PURPOSE OF PROVIDING BID AND PERFORMANCE BONDING FOR COMPANIES OPERATING IN THE NORTHWEST TERRITORIES.
- iii. WE RECOMMEND, AS A SECOND ALTERNATIVE, ENCOURAGING BANKS TO OFFER LETTERS OF GUARANTEE IN SUPPORT OF BONDING APPLICATIONS.

Should these recommendations not be adequately implemented prior to the commencement of pipeline and gas plant construction, we put forward the following recommendations:

- i. SOME CONTRACTS CAN BE TENDERED ON A "PIECE-MEAL" BASIS, THUS ENABLING SMALL BUSINESSES TO PARTICIPATE BECAUSE THEY CAN OBTAIN BONDING WITHIN CERTAIN LIMITS. This in no way restricts the larger corporations from tendering the total contract.
- ii. IN CASES WHERE BONDING IS UNOBTAINABLE, THIS REQUIREMENT WILL BE WAIVED BY THE SUCCESSFUL PIPELINE APPLICANT AND PRODUCERS IN RETURN FOR THE RIGHT TO OVERSEE THE OPERATIONS OF THE LOCAL SUB-CONTRACTOR IN ORDER TO ENSURE SATISFACTORY OPERATIONAL PERFORMANCE. Inadequate performance would justify resiliation of the contract by the pipeline applicant or producer involved, and thereby stem impending loss.

3. Bid Differential:

It is currently the practice of certain municipalities to extend to northern contractors a bid differential relative to outside competitors in order to compensate the former for the



higher operating costs in northern Canada. The southern operator who takes on a contract in the North assumes these higher costs, but only for the duration of the contract, on completion of which he promptly returns south. Many of these southern firms have little or no local overhead even during their brief stay in the North.

For practical reasons, we accept the bid differential concept although it is difficult to quantify to our satisfaction. The availability of supplies and services at the local level on a permanent basis is of considerable benefit to the community, particularly in terms of convenience. However, the continuous provision of such benefits definitely entails higher operating costs (e.g. power, accommodation) which are accentuated by the seasonal nature of economic activity. These costs, which are a function of the degree of isolation, would be compensated for by a bid differential which, in the case of materials, would be determined over and above the specific transportation charges applicable to specific supplies.

Recommendation:

WE PROPOSE THAT A SCALED TENDER DIFFERENTIAL ALLOWANCE BE ACCORDED TO NORTHERN CONTRACTORS. This differential would be minimal in the Hay River area, slightly higher in Yellowknife and greater still in centres without road links to the South, with the highest differential, perhaps 15% being accorded to isolated settlements.

Due to the difficulty in determining an adequate permissible differential, WE OFFER THE ALTERNATIVE OF USING ALL NORTHERN BID LISTS IN CASES WHERE THE NUMBER OF LOCAL FIRMS AND THEIR CAPACITY ARE SUFFICIENT IN RELATION TO THE AMOUNT OF WORK TO BE PERFORMED UNDER THE SPECIFIC CONTRACTS WHERE THIS APPROACH MIGHT BE ADOPTED. A modified form of this procedure is being used in Alaska. It is of particular interest where small contracts are involved.

4. Materials Supply Contracts:

Recommendations:

- i. ALL TENDERS FOR MATERIALS AND SUPPLIES SHOULD BE CALLED F.O.B. PLACE OF USE RATHER THAN ORIGIN OF SUPPLY. This





would provide incentive to develop a substantial inventory at the local level and the resulting increase in turnover should entail a reduction in prices and thereby increase the patronage of northern businesses who are presently dealing with southern suppliers. Hopefully, the ensuing supply pattern would persist once pipeline construction has been completed and would still allow price levels to remain lower than at present, without adversely affecting the profitability of the local supplier.

ii. IT IS FURTHER RECOMMENDED THAT THE SUCCESSFUL APPLICANT AND HIS AGENTS ESTABLISH A PURCHASING OFFICE IN THE MACKENZIE VALLEY TO DEAL WITH RESIDENT BUSINESS. This office would prepare and distribute to the Bid Depository and its sub-offices and other designated locations, lists of items required and guidelines for the types and value of contracts that can be purchased:

- a) directly without bidding
- b) through local or regional bidding
- c) with bidding throughout the Mackenzie Valley, and
- d) with completely open bidding

The frequency of application of these four approaches would be mainly a direct function of the amounts involved and the number of eligible resident bidders. Furthermore, the spirit of this proposal could also apply to service contracts as well.

We are opposed to making any stipulation that any minimum of supplies be obtained locally. It is conceivable that an individual local supplier will not adjust his prices downward subsequent to an increase in turnover. Any prime contractor forced to deal with such an individual would merely increase his own capital and operating costs, perhaps substantially, to the sole benefit of the local supplier, without creating the potential long term benefit which we have described above.

The pipeline and producer companies and their agents would be expected to obtain materials and services locally subject to the following recommendations:

iii. SHOULD THE LOWEST PRICE QUOTED BY ELIGIBLE NORTHERN SUPPLIERS EXCEED THE BID DIFFERENTIAL ALLOWABLE IN THEIR RESPECTIVE REGIONS, THE PIPELINE, PRODUCER COMPANIES AND THEIR AGENTS SHOULD BE PERMITTED TO CALL FOR OPEN TENDER.





- iv. AS TO MINIMIZE PRICE INFLATION AT THE LOCAL LEVEL, WE RECOMMEND THAT PRIME CONTRACTORS CONSULT WITH LOCAL SUPPLIERS IN VIEW OF EXCEEDING THE LATTER'S ABILITY TO SUPPLY. THE ONUS OF THE APPLICATION OF THIS RECOMMENDATION LIES, WE THINK, ON THE LOCAL SUPPLIER. THE LOCAL CHAMBER OF COMMERCE COULD CONCEIVABLY SERVE SOME REGULATORY FUNCTION.

#### 5. Air Charter Contracts:

Unlike most northern businessmen who demonstrated enthusiasm for pipeline development, air charter operators expressed reserve and considerable pessimism in light of their poor experience with both the Federal and Territorial Governments. Some of these problems have already been outlined in the "Report of the Task Force Formed to Study Problems Encountered by Northern Businessmen in Obtaining Federal Contracts". We conclude that if northern air charter operators do not receive equitable treatment from the pipeline and producer companies, pipeline development is likely to accelerate the deterioration of the position of the northern operator relative to outside based competitors.

#### Recommendation:

In addition to applying all of the relevant above recommendations to this sector, TENDER REQUIREMENTS FOR AIR CHARTER CONTRACTS SHOULD SPECIFY JOB REQUIREMENTS AND PERMIT USE OF EQUIVALENT AIRCRAFT.

Additional recommendations dealing with this industry are covered in the "regulatory considerations" section of this report.

#### 6. Size of Contracts:

Respondents also expressed concern over the relationship between the size of contracts being let, and the capabilities of their businesses to meet the requirements of these contracts. The most common complaint in this area was simply that some contracts were too large for one northern contractor to handle. That is, many local firms simply do not possess the expertise, personnel and equipment required, e.g. contracts for 40 single family dwellings, instead of eight contracts for 5 single family dwellings.



Recommendation:

WHERE POSSIBLE, CONTRACTS SHOULD BE STRUCTURED TO ACCOMMODATE SMALL AND MEDIUM SIZED NORTHERN BASED BUSINESSES.

7. General Recommendation:

IN ORDER TO CREATE AN ATMOSPHERE CONDUCIVE TO PARTICIPATION OF NORTHERN BUSINESSES, A MACKENZIE DISTRICT BUSINESS ASSOCIATION MUST BE ESTABLISHED TO ASSIST IN RESOLVING PROBLEMS CURRENTLY BEING EXPERIENCED BY NORTHERN FIRMS, AND TO SERVE THE NEEDS OF THIS SECTOR THROUGHOUT THE PIPELINE CONSTRUCTION PERIOD. Specifically, the association would be responsible for the following tasks:

1. Acting as an intermediary between the northern business community, the pipeline company, their contractors and unions;
2. Registering all northern businesses interested in participating in pipeline and pipeline related contracts, and other businesses in the Mackenzie District, i.e. manpower, equipment, fields of experience;
3. Maintaining an inventory of personnel, equipment and supplies available in the Mackenzie District;
4. Providing training services for its participants, particularly in the area of business management and related subject areas;
5. Maintaining or associating itself with a bid depository operating in the N.W.T.; and
6. Conduct studies on particular problems related to its responsibilities (e.g. bid depositories and alternative bonding systems).

This association would be funded by grants from the Federal and Territorial Governments, and the successful applicant. Individual businesses would pay a users fee for services rendered by the association..



## II. REGULATORY CONSIDERATIONS AND RECOMMENDATIONS

The purpose of this section is to provide some comment on the impact of regulation by federal, territorial and municipal governments as related to problems encountered within the northern business community. As many of the problems and recommendations concern specific and diversified topic areas, the presentation format has been altered slightly to provide recommendations immediately following discussion of problems. It should be noted that while the list is fairly extensive, it primarily reflects the response of business people during the survey period, March to October of 1975. Depending upon time and circumstances, other problem areas could be anticipated and some mentioned here could be alleviated.

### A. Federal Regulations

#### 1. Ministry of Transport:

A great deal of criticism was received from local air charter firms with reference to enforcement of Ministry of Transport regulations. The following problem areas were outlined:

- i. Some respondents noted that non-commercial carriers are carrying out extensive commercial type operations in the area. The Ministry of Transport regulations which prohibit non-commercial carriers from carrying out a commercial operation are not being enforced. It was estimated that about 10% of the aviation business in the Yellowknife area is carried out by unlicensed commercial carriers and the corresponding percentage in the Delta is believed to be in the order of 50%. In some cases, the licensed operator has been forced to disregard or "bend the rules" to remain competitive. Many hydro-carbon related firms charter aircraft for their own needs and bypass the mainline carrier. Although the practice is legitimate, it should be discouraged, so as to increase load factors on scheduled mainline flights and expand use of local charter operators.
- ii. A second complaint concerned the notion that requirements for an air worthiness certificate are not stringent







enough and existing regulations are not adequately enforced.

- iii. Minimum pilot qualifications do not reflect the expertise required to fly in northern Canada.

Recommendations:

- i. To alleviate some of the problems noted above, it was suggested THAT A MINISTRY OF TRANSPORT INSPECTOR BE PERMANENTLY LOCATED IN YELLOWKNIFE. The inspector would be charged with inspecting aircraft, enforcing all existing regulations and recommending fines, sufficient to act as a deterrent to those violating established regulations.
- ii. In relation to the above, a number of respondents recommended that AN ORIENTATION PROGRAM FOR PILOTS AND CREWS ON NAVIGATION AND SURVIVAL IN A NORTHERN ENVIRONMENT BE ESTABLISHED and implemented as a mandatory operating requirement north of the 60th parallel.

2. Price and Income Controls:

The recent Federal Government decision to impose price and income controls was not discussed with local business people as the survey portion of the study had already been completed. However, establishing such controls does create a number of potential problem areas which should be given some consideration, especially if pipeline developments proceed along the Mackenzie River Valley.

As noted above, a labour drain is anticipated during pipeline construction periods by many northern labour intensive businesses. Some have acknowledged they would be willing to increase salaries during these periods to remain competitive. However, with the implementation of long term federal price and wage controls, local firms would be prevented by law from increasing salaries beyond a specified level.

Recommendation:

WAGE CONTROL LIMITS WILL HAVE TO BE RAISED IN THE N.W.T. IN ORDER TO PROVIDE THE NORTHERN ENTREPRENEUR WITH AN OPPORTUNITY TO REMAIN COMPETITIVE DURING THE PIPELINE AND GAS PLANT CONSTRUCTION PERIOD. As we noted earlier, it is unlikely that a



major increase in hourly based rates will be necessary on the condition that comparable overtime be available in both the pipeline and non-pipeline sectors.

## B. Territorial Regulations

### 1. Motor Vehicle Operating Authorities:

Much consideration has been given recently to greater utilization of rail and truck transportation of pipeline construction materials in the Upper Mackenzie, as to reduce the potential strain on the barging system. At the other end of the river, use of the Dempster Highway from the southern Yukon to the Delta is also being seriously envisaged.

The adoption of trucking as a prime mode of transportation would represent a very substantial entrepreneurial opportunity for northerners. However, we have noted that southern based trucking firms are readily granted authority to operate on Northwest Territories' highways without reciprocal authorities being granted to northern based companies in other provincial jurisdictions.

### Recommendations:

- i. THE GOVERNMENT OF THE NORTHWEST TERRITORIES SHOULD IMMEDIATELY NEGOTIATE AGREEMENTS WITH ALBERTA AND BRITISH COLUMBIA TO FACILITATE THE GRANTING OF AUTHORITIES TO N.W.T. BASED TRUCKING FIRMS FOR OPERATIONS OF ALBERTA AND BRITISH COLUMBIA HIGHWAYS.
- ii. THAT THE REGULATIONS OF THE HIGHWAY TRANSPORT BOARD AND THE MECHANISM OF ENFORCEMENT BE REVIEWED AND MODIFIED AS NECESSARY IN ORDER TO EFFECTIVELY TRANSLATE THE INTENT OF THE PUBLIC SERVICE VEHICLES ORDINANCE AND THEREBY RESTORE ORDER TO THE TRUCKING INDUSTRY.

### 2. Labour Standards:

Pipeline construction and related developments will bring thousands of workers to the Northwest Territories. Pipeline applicants have served notice they intend to negotiate work



contracts with construction companies which would include twelve hour working days, seven days per week. The rationale for this approach is that overtime payments will act as an incentive for skilled personnel to come North. However, existing northern labour ordinances do not permit such extensive working hours, therefore northern business could be prevented by law from offering overtime as an incentive to local employment for other than pipeline related construction.

Recommendation:

THE LABOUR STANDARDS ORDINANCE SHOULD BE REVISED TO MAKE PROVISION FOR EXTENDED WORKING HOURS FOR ALL BUSINESSES DURING THE PIPELINE CONSTRUCTION PERIOD.

3. Mechanics' Liens:

Several businesses in the Delta reported very unfortunate account collection experiences with southern based contractors who have operated intermittently in the area. An extension of the 30 day lien would provide the local firms with greater protection.

Recommendation:

That the "Mechanics' Lien Ordinance" be COMPLETELY REVIEWED AND UPDATED to provide realistic controls and time constraints to adequately meet the purposes for which it is intended; e.g. extension of the time period to ninety (90) days for registration of a lien.

4. Documents Registry:

A number of firms surveyed, reported that the Government of the Northwest Territories Central Registry was antiquated and unuseable. Liens and chattel mortgages in particular were reported to be difficult, if not impossible, to search. This limitation makes it extremely difficult to assess existing chattel mortgages and often times interested parties are forced to make a purchase without a complete reassurance of receiving clear title to the chattel.





Recommendations:

- i. CHATTEL MORTGAGES FOR EQUIPMENT BEARING SERIAL NUMBERS SHOULD BE RECORDED SEPARATELY FROM OTHER HOUSEHOLD GOODS BY SERIAL NUMBER AND NAME OF OWNER THUS PERMITTING A CROSS REFERENCED SEARCH.
- ii. IT IS FURTHER RECOMMENDED THAT A SYSTEM BE IMPLEMENTED TO SIMPLIFY THE SEARCH PROCEDURE AND REDUCE THE TIME REQUIRED TO HAVE THE SEARCH COMPLETED.

5. Workers' Compensation:

The assessment rate in certain areas of employment is substantially higher than that in the southern provinces because of the extensive amount of flying time. Also all classes of business come under the N.W.T. ordinance which is not the case in the southern provinces. These policies place an additional financial burden on employers in the N.W.T.

Recommendations:

- i. THE RATES, CLASSIFICATIONS AND REGULATIONS OF WORKERS' COMPENSATION INSURANCE SHOULD BE ADJUSTED TO BRING THE ORDINANCE INTO LINE WITH THE SOUTHERN PROVINCIAL AREAS.

However a word of caution is in order as to avoid the occurrence in the N.W.T. of a serious problem which has recently come to light in Alaska. The problem to which we refer is due to excessive (in terms of relative costs of living) disability payments made to non-residents of Alaska, injured in the construction of the Alyeska pipeline, but recuperating in their state of origin where the cost of living is much lower. We recommend that the N.W.T. Workers' Compensation Ordinance NOT BE MODIFIED WITH RESPECT TO THE METHOD OF COMPUTING COMPENSATION PAYMENTS, subsequent to any amendments to the Labour Standards Ordinance which would provide for extended working hours. Furthermore, the present ceiling on benefits must be retained, subject to periodic adjustments to reflect inflationary pressures.

- ii. IT IS FURTHER RECOMMENDED THAT, IN ORDER TO EASE THE BURDEN ON EMPLOYERS, PREMIUMS BE PAYABLE IN INSTALLMENTS, RATHER THAN IN ONE LUMP SUM AT THE BEGINNING OF THE INSURABLE PERIOD.



### III. THE MACKENZIE VALLEY PIPELINE AUTHORITY (MVPA)

In the immediate future, many regulatory bodies and agencies will probably be recommended as a means of ensuring that the interests of northern people are protected.

Some of the resident northern business community expressed concern that too many regulatory agencies could be established, and suggested that a single agency to monitor all pipeline activity would be more desirable.

#### Recommendation:

IT IS PROPOSED THAT A MACKENZIE VALLEY PIPELINE AUTHORITY (MVPA) BE FORMED TO PROVIDE A SINGLE INTERFACE BETWEEN THE PIPELINE COMPANIES AND GOVERNMENT DEPARTMENTS ALONG THE PIPELINE CORRIDOR NORTH OF THE 60TH PARALLEL.

The MVPA would be organized as a relatively small group with a staff of 25 to 100 residing mainly in the Mackenzie Valley. The MVPA would assume both policy and policing functions with full authority to modify procedures or shut down the operation for infractions. It would operate in a manner comparable to the pipeline construction branch of the National Energy Board and would have a direct relationship with the Board.

The headquarters of the MVPA would be centrally located along the pipeline corridor at either Fort Simpson or Norman Wells and would be adequately funded with aircraft support to cover the pipeline operations without being resident in the pipeline camps.

The MVPA would be responsible only for pipeline and related activities within the Mackenzie Valley corridor and would cease to exist after construction of the pipeline.

The Mackenzie District Business Association (see page 7) would ensure that resident businesses are involved to the full extent of their capabilities during the pipeline construction. This section would enforce the terms and conditions in the pipeline authority to involve resident entrepreneurs.

The Mackenzie District Business Association would also serve to





protect the pipeline companies from abuse by resident firms in special situations where there are too few resident businesses for effective bidding on contracts or where inadequate operational performance of resident business jeopardized job completion schedules.

The terms and conditions in the pipeline authority relating to the involvement of resident business would include the adoption of all relevant recommendations made in the present report.

#### IV. CONCLUSIONS

This report has performed two functions. First, it has provided an inventory of businesses, personnel and equipment of northern firms which could be associated with the proposed natural gas pipeline and related developments. Secondly, the report has provided some comment on the potential for expansion of local businesses related in part to meeting the increased demands generated by pipeline developments.

Concerning the former task, it has been very difficult to provide an assessment of the capacity utilization of the personnel and equipment of the businesses surveyed since this varies directly with general economic activity and seasonal fluctuations.

In the environment sensitive Delta, for example, capacity utilization in almost a quarter of the businesses, if not more, approaches zero, for several weeks of the year, even under the most favourable economic conditions. At the same time, the trade contractors report little slack whatever the season and state of the economy, although the latter most definitely affects their financial condition due to a sensitive accounts receivable turnover.

Briefly, the capacity utilization ratio is constantly subject to dynamic forces the magnitude of which varies throughout the study region.

As of the time of writing in February 1976, we can affirm without hesitation that northern businesses could now assume a greater





share of pipeline related work than at the same time last year, simply because of the economic contraction which has intensified itself in the interim.

With reference to the second task, determining potential to expand has been a rather subjective exercise, although the credit data given in the finance section provides a somewhat objective indication. Moreover, the majority of business people strongly emphasized that their current capacity must not be regarded as an upward limit. On the contrary, most firms stressed that they would readily expand if warranted by a tangible increase in the demand for their services. However, many respondents expressed concern that their ability to expand would depend a great deal upon the implementation of some of the recommendations of the Task Force on Northern Business and those included in this report.

In this respect, we have emphasized on several occasions in the course of this report that northern businesses are likely to be the principal employers of northern residents during both the construction and operation phases. For this reason, we feel that the interests of both northern employers and employees are inseparable and that this inter-dependence should be reflected in the terms and conditions of the pipeline construction and operating authority.

We have attempted to convey the attitudes, problems and suggestions of the local businessmen. The majority of the comments are not restricted to a construction boom; they are of equal importance at the present time. Northern businesses do not request preferential treatment. In fact, they do not want it. They are asking only that resources be provided to all businesses so that effective management and active expansion can be accomplished, thus enabling maximum participation of established northerners in northern development.

Many difficulties will arise during a construction period which have not been analyzed in this study. Foresight and initiative of the entrepreneur will be exercised to the fullest extent to provide timely solutions.

In conclusion, we would like to recall Federal Government pronouncements on northern development which have provided both inspiration and direction in subsequent discussions of proposed



hydrocarbon industry projects. In particular, the March 28, 1972 statement on Northern Development in the Seventies calls for "a higher standard of living, quality of life, and equality of opportunity for northern residents" and for "viable economic development within the regions of the Northern Territories". Similarly, but in more precise terms, the 1972 Federal Guidelines for Northern Pipelines state that "contracts and sub-contracts shall be so designed and publicized as to invite and encourage bids from native organizations, settlement councils and contractors" and "the applicant shall make a conscious effort to contribute to the social and economic development of the Territories".

We trust that this report of northern businessmen will enable the Honourable Mr. Justice T. R. Berger to formulate the necessary guidelines and recommendations to maximize the contribution of the resident northern business community and work force.



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1952-54 graduated from Mount Royal College Calgary, Alberta  
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EMPLOYMENT:

1955-1973 employed in Kelowna, British Columbia in public  
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ment services throughout the Northwest Territories. Firm  
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OTHER ACTIVITIES:

Certified General Accountant Association

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THE PROBLEMS OF RESIDENT NORTHERN BUSINESSES  
AND THEIR POTENTIAL PARTICIPATION IN THE PROPOSED  
HYDROCARBON INDUSTRY DEVELOPMENT

SUMMARY OF EVIDENCE OF  
JOHN B. MACLEOD

Presented on Behalf of  
The Northwest Territories Chamber of Commerce

MACKENZIE VALLEY PIPELINE INQUIRY  
YELLOWKNIFE, N.W.T.

August, 1976



During the past year a study was undertaken by the members of this panel for the N.W.T. Chamber of Commerce with funds provided by the Mackenzie Valley Pipeline Inquiry.

The terms of reference were as follows:

"prepare an inventory of the present business capacity in the Territories to handle contracts and subcontracts on the proposed gas pipeline, and the potential capacity of business to expand in order to benefit from future development brought about by the pipeline."

During the course of this study, an opportunity was extended to all segments of the northern resident business community, without regard to ethnic origin and Chamber of Commerce affiliation, to express themselves on matters of common concern.

The pertinent concerns of all participants and the resulting recommendations comprise this report which has now been filed with this Inquiry.

In addition to surveying virtually all of the relevant northern businesses from Tuktoyaktuk to Fort Simpson, the vast majority of which were contacted personally, I have formulated the recommendations pertaining to this high impact area and assumed the overall responsibility of reviewing the recommendations from the other areas of the study region which were surveyed by Messrs. Hinchey and Ashton of Yellowknife and Hay River, respectively.

It was obvious from comments received while undertaking our study that the majority of northern businessmen are anxious to participate in pipeline related construction and service contracts. At the same time, many of the smaller operators believe that they are unlikely to reap significant benefits from such development simply because of the limited scale of their operations in relation to their perception of the magnitude of pipeline contracts. Northern air carriers, particularly those based





in the Delta, expressed more pessimistic views although their reasoning was based on factors other than their size. Accordingly, we have formulated several specific recommendations to alleviate the concerns of these two sectors.

Yellowknife businessmen recognized that their current operations were situated a great distance from proposed pipeline and gas plant construction areas. However, many indicated that if a pipeline operations centre is located in Yellowknife and, if a lateral or spur line and related distribution facilities are constructed to the capital city, local businessmen would be in a better position to become directly involved in pipeline related developments. While the majority of respondents expressed interest primarily in work around Yellowknife, some acknowledged they would consider accepting contracts in other major construction and staging areas.

Despite the perceived potential of pipeline developments in the Western Arctic, a number of local businessmen expressed concern over certain factors which could limit their level of opportunity and involvement and, as well, benefits from participating in such developments. For example, enthusiasm was tempered somewhat by an uncertainty of the nature and extent of pipeline and pipeline related developments in the Mackenzie Valley region. Some local businessmen noted they would have to exercise caution in expanding their firms to meet the perceived demands of development, simply because over-expansion could prove costly if construction is delayed, or does not reach projected levels. Indeed, when one considers that the proposed hydrocarbon development has now been under consideration for several years, the delay referred to above has actually occurred, in relation to previous expectations. At the time that our survey was in its initial stages in the spring of 1975, a few firms had already completed the first of a multi-phase capacity expansion program. These and other businesses are now experiencing considerable difficulty as a result of the contraction in economic activity which was discernible toward the end of 1974 and which has greatly intensified in subsequent months.



Toward the other end of the Valley, the economic slowdown has probably been more severe but less abrupt. We would even go as far as to speculate that enough businesses have left Fort Simpson in recent months that the population may have actually decreased in absolute terms.

As might be expected, the Yellowknife business community is much less subject to economic fluctuations due to the presence of the governmental apparatus, the growth rate of which is, at worst, modestly positive.

Throughout the study region, it was gratifying to hear that most entrepreneurs were conscious of the dangers inherent in increasing capacity to meet the requirements of the construction period to a level which could not be sustained beyond that phase.

In describing other deterrents, many of the respondents noted a number of problem areas, which in general tend to reflect difficulties presently being experienced by northern businessmen. It was felt that before local business could seriously consider accepting contracts on the proposed Mackenzie Valley natural gas pipeline and related developments, a concerted effort should first be made to rectify present problems.

Accordingly, we have considered the major difficulties presently being experienced by northern businessmen and have made recommendations on the manner in which these problems could be solved, or their adverse consequences reduced.

These problems are interrelated and should be viewed in a context which takes into consideration a wide range of other relevant factors.

The underlying philosophy of my review was that the inherent specific difficulties of operating a business on a permanent basis in the North should be alleviated to the greatest possible extent, in order to give the resident operator an equal opportunity to acquire contracts which are to be performed in the North. Consistent with the above, all proposals advocating minimum quotas have been rejected since it is conceivable that potential abuse by a small unprincipled minority could



outweigh the possible advantages. In any event, the implementation of our recommendations should render unnecessary the imposition of such quotas.

My review function involved the elimination of some recommendations due to economic unfeasibility, impossibility of implementation and impertinency, the adoption of others of our terms of reference, consolidation of those which were retained and the addition of some commentary.

Several proposals made to us related only to government contracts and were dropped on this basis, since those concerns were adequately covered in the "Report of the Task Force Formed to Study Problems Encountered by Northern Businessmen in Obtaining Federal Contacts".

However, we did consider the recommendations made in the preceding report and retained several which were also raised in the course of our survey and applicable to the proposed hydrocarbon industry development.

The recommendations which were finally incorporated in our report may be divided into four broad categories.

Firstly, there are those which are directed toward the Honourable Mr. Justice T. R. Berger for consideration in the formulation of the guidelines and regulations according to which a pipeline would be constructed.

Secondly, we have proposed a few regulatory changes, particularly with respect to Territorial Ordinances. Many of these relate to current difficulties and the necessity of their implementation is not dependent upon pipeline development. However, these problems should be resolved before development proceeds.

Thirdly, there are a few recommendations and comments which do not fall within the realm of legislation and are addressed to the northern business community.





Finally, we have retained several recommendations of a general nature which are not particularly relevant to our terms of reference but translate valid concerns of northern entrepreneurs.

All recommendations have been formulated with the intent that their implementation would provide lasting benefits to the North.

All members of this panel have considered and are familiar with all the subjects covered in our study. However, for purposes of this presentation, each will limit his introductory testimony to several specific problem areas.

Accordingly, I will highlight our observations and conclusions with respect to manpower, unionization and transportation.

## I. Manpower

### 1. Competition with Government for Human Resources

Many local businesses reported a severe shortage of trained, skilled and professional personnel. They list as contributing factors the low skill levels and sporadic work habits of the local labour force, the attractive benefits provided by governments, which include subsidized housing and travel benefits for holidays and illness, little of which are presently being taxed. On the other hand, a good number of businesses which provide subsidies must include the value of the subsidy in the taxable income of their employees under the direction of their own tax advisors or the Department of National Revenue. Self employed businessmen, proprietorships and partnerships, who cannot pay themselves salaries are unable to charge as an expense the additional cost of living. Many such inequities and inconsistencies exist in the subsidization of northerners with the result that the typical local business is at a severe disadvantage relative to the public sector with respect to the recruitment of personnel.

Labour shortage in the trades and professions is not a problem exclusive to the North because demand for skilled personnel is high



all across Canada. Clearly an incentive of some form is required to bring people to the N.W.T. Skilled personnel who would locate in the North are discouraged by the lack of adequate accommodation at reasonable cost unless substantial subsidies are provided. However, if financial compensation is offered in the form of a subsidy, over and above the union wage scale, the subsidy, if taxed, must be increased by as much as 40% to provide the same take home pay that a non-taxable subsidy would provide. The cost of this subsidy as a result of the increased tax burden would be reflected in additional costs to the consumer. This scenario provides some indication of the dilemma being faced by northern business in its attempts to attract employees and at the same time offer competitive services and remain in operation.

#### Recommendations

- i) The inequities which presently exist among the various approaches to subsidization of employees in the N.W.T. should be recognized and guidelines should be established before further development brings in new forms of subsidization.

It is recommended that a task force be created by the Department of Indian and Northern Affairs to:

- (a) Review all existing benefits provided to employees of all government departments, crown corporations, industry and business;
- (b) To study and receive briefs from all interested parties on proposed methods of subsidization; and
- (c) To prepare subsidy guidelines which would be equitable for all residents of the N.W.T. and acceptable to the above mentioned parties and the Department of National Revenue and Taxation and enforced by the latter.



- ii) It is further recommended that, upon completion of the above mentioned study, that the present inequities of subsidization of living quarters be replaced by a substantial non-taxable home owners' grant to residents of the N.W.T. Implementation of this recommendation would favour longer residency of immigrants to the area and a longer life expectancy of homes (which are currently leased) of established residents and an increase in residential construction. Many provinces presently have some form of home owners' grant, even in areas where inequalities of subsidization are nonexistent.

## 2. Potential Competition from the Pipeline for Human Resources

A number of labour intensive businesses noted they expected a severe labour drain, primarily in the area of skilled personnel, as a result of pipeline and related developments. The root cause of this "shift" can be related to the high wage rates and unlimited overtime offered by pipeline contractors. While most respondents could not suggest solutions to this extremely crucial problem area, some had reluctantly resigned themselves to increasing wages to a competitive level in order to maintain a work force.

At the present time, in the absence of any significant development project, the private sector is at a disadvantage relative to governments in recruiting the limited local skilled manpower and people from outside the Territories. It is also believed that this problem will be aggravated with the arrival of another source of manpower demand although northern business hopes to stem the loss of personnel by offering higher wages, despite the higher operating cost and difficult readjustment period anticipated once construction has been completed.

We feel that the adverse effect of the pipeline on the manpower resources of the private sector is somewhat exaggerated.

Firstly, the work that will be required during the construction phase can be divided into two categories: that which could be





handled by northern businesses and the specialized pipelaying work which can only be performed by specialized southern firms. The manpower required by the latter will be imported in any case and will not affect the northern operator.

Secondly, by far the largest component of the anticipated earnings associated with employment in the first category will be overtime pay as opposed to a drastic difference in base rates. Therefore, to the extent that employees leave the private non-pipeline sector to work on the pipeline, fewer employees will remain with their current jobs to handle the same, if not more work. The local operator will then find himself in a position to offer abundant overtime, which is also the main attraction of pipeline construction employment. This will certainly entail an increase in operating costs but this will be universally recognized and therefore easily passed on in contracts. In the post construction period, less overtime will be available in all firms and operating costs will contract although they are not likely to return to pre-development levels. With some imagination, the magnitude of this readjustment could be further reduced.

### 3. Vocational Training

- i) Some of the respondents suggested that modifications of apprenticeship training programs are required. For example, due to the seasonal nature of much employment, apprentices cannot remain in a training program on a year-round basis for the time necessary to complete the apprenticeship. Most programs require a four year training period. Both the apprentice and business are therefore in a rather precarious position where neither can guarantee enough work to meet the requirements of the apprenticeship program.
- ii) While many respondents welcome Canada Manpower on-the-job training programs, it was felt that in some cases Manpower terms of reference limited potential candidates from participating. Specific references were made to the exclusion of individuals with previous training or post-secondary education from the program.



- iii) Many interviewees, particularly in the Delta, emphasized the crucial need for a training facility in that area, similar to the AVTC in Smith. Many Delta residents are understandably reluctant to go up to Smith with the result that much of the financial burden of vocational training is born by the local contractor.

#### Recommendations

- i) The capacity of the existing vocational training facilities (AVTC) must be increased to meet the current and anticipated increased requirements for skilled northern residents. Furthermore, program priorities should be revised in view of providing an appropriately trained work force for both pipeline contractors and northern businesses.
- ii) Vocational training facilities should be established elsewhere in the study region, particularly in the Delta.
- iii) More funding should be made available to the Canada Manpower Centre for on-the-job training programs as a means of increasing the number of trained northern residents. In addition, the program's terms of reference should be expanded to include re-training and/or upgrading of personnel with post secondary education.

The additional or revised programs would exclude all highly specialized pipelaying trades which would not be needed in the N.W.T. on an ongoing basis.

Ideally, this training should continue during the construction period and could be accomplished by a commitment from the contractors to hire apprentices and semi-skilled personnel.



#### 4. Management Training

Although the quality of management throughout the study region was quite good, particularly in the larger centres where the local entrepreneur is exposed to lively competition, many businessmen recognized managerial deficiencies and expressed a definite need for management training programs. This awareness positively influenced our evaluation of the quality of management.

## II Unionization

Many of the peculiar characteristics of the North have been well documented and set it apart from the rest of Canada. I have already cited the housing problem and the associated complexities of subsidization. Another anomaly related to employment is that, contrary to the trends in the South, northern businesses tend to have a greater need for generalists rather than highly specialized personnel. This phenomenon can be attributed to the generally smaller scale of operations which, in turn, reflects a smaller and scattered population and corresponding economic base.

The unionization of all employees in the private non-pipeline sector could seriously restrict the employability of people possessing a range of related general skills but little formal education, in addition to entailing a substantial increase in labour costs.

Of the three major points of impact, the high degree of specialization and categorization of labour inherent in unionism is considered by us to be the most serious. Accordingly, the application by unions of their typically strict division of labour principles to most northern businesses would be blatantly inefficient and very inconsistent with the way that things are done throughout most of the Northwest Territories.

Throughout the study region, the majority of employers indicated that, for a variety of reasons, they preferred to meet their manpower requirements locally and recruit in the South only when local hire is not possible.





Again we stress that these requirements are often for generalists, and versatility and a low level of specialization are precisely the dominant characteristics of the work force of the Northwest Territories. Thus unionization could impede the goal of priority hiring of resident northerners.

The second consequence, mainly the general increase in wages, is probably the least serious problem. Many firms interviewed, particularly in the trades, already pay union wages, if not more. And as we have stated in our report, substantial overtime payments will be the main pecuniary attraction of pipeline work and we feel that many resident businesses will be able to compete well on this level.

Finally, only at great expense will northern firms be able to meet union requirements with respect to other working conditions such as camp accommodation. What we have already stated with regard to the inequalities of subsidization also applies here. It is likely that the unions will strive to apply the same standards in the North as they presently do in the South. Unfortunately, such standards are not easily attainable here as elsewhere and, by union criteria, many northern employers' own living conditions might not even obtain approval. Even at the present time, fresh meat and produce are seasonally difficult to obtain in many settlements, so how can the local contractor be expected to do better?

These are only several considerations which contributed to the negative attitude of most northern businessmen on the union issue. This problem has prompted much discussion and produced numerous suggestions. Several respondents emphatically argued that the entire pipeline job be "open shop" but we are of the opinion that this suggestion is unrealistic.

An alternative would be to designate the prime contracts as union and request that the successful pipeline applicant and producer companies retain some of the subcontracts which they would tender themselves to non-union northern firms. We believe that this approach could be operational provided that these subcontracts be removed both geographically and in terms of time scheduling from unionized jobs. This proposal



could be reinforced through appropriate amendments to the "Labour Standards Ordinance" as to provide for an increase in these standards. It might then be possible to obtain the advantages of unionization without the unnecessary inherent constraints.

Briefly, we believe the central issues to be economics and northern realism. The welfare of the northern worker is not likely to be any better as a result of unionization than if the preceding proposal be adopted. Indeed, the contrary could occur depending upon the hiring procedures which will ultimately be adopted.

### III Transportation

#### 1. The Delta and Central Mackenzie

The only all weather roads in this region lie within the communities. Due to the absence of road links with the South, resupply by barge takes place once a year and entails abnormally high inventory and warehousing costs. Air freight is also extensively used despite its inherent high cost.

Development of an all weather road system within the Delta and a road link to the South would entail a sharp reduction in operating costs and prices in the area. For this and other related reasons, it is my understanding that the N.W.T. Chamber of Commerce believes that the key to economic development in the North lies in greatly expanded transportation facilities, particularly with respect to the highway system. Although I do not deny the plausability of this position, I think that it would be most unwise to aggressively pursue highway construction either before or during the undertaking of a project as substantial as that proposed by the hydrocarbon industry. After all, it must be recognized that the envisaged economic benefits cannot be obtained without some social cost, the latter consisting of the aggravation of chronic transient problems



such as we have in Inuvik and the risk that this problem might spread to the surrounding settlements. It is in this spirit that we recommend:

- i) That the Dempster Highway be extended toward the Delta on the understanding that a portion remain incomplete until termination of pipeline and gas plant construction. This unfinished section would be open in the winter on a restricted basis to allow for the transportation of pipeline and gas plant construction materials.

Ideally, this short incomplete portion would be generously endowed with creeks, ponds, swamps and similar obstacles to transit, as to render summer use of the highway impossible and thereby close this avenue to transients coming into the area on the speculation of obtaining work or pursuing any other endeavours. The intent of this compromise proposal is to minimize the creation of the type of transient problem which has occurred in Alaska.

- ii) That an all weather road be built, without undue delay, between Inuvik and Tuktoyaktuk.

## 2. Yellowknife and the Upper Mackenzie

In our report, we have made a couple of recommendations with respect to improvements of the existing road network. The implementation of these recommendations would provide lasting economic benefits to the region, at virtually no social cost. These improvements would be financially expensive but could be justified if needed for pipeline construction activity.

These recommendations are as follows:

- i) That a bridge be constructed across the Mackenzie River on the Mackenzie Highway.





- ii) That the N.W.T. portion of the Mackenzie Highway be considerably upgraded with serious consideration given to paving this stretch of the road.



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Business Finance in Canada, Investment Dealers' Association of Canada, (College d' enseignement général et professionnel du Vieux Montreal), 1973.

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Automotive mechanics, carburation, electricity (330 hours), Ecole des Métiers de l'Automobile de Montréal, 1970-1972.

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EXPERIENCE:

1967 - 1969

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One summer as a graduate research assistant in the area of transportation economics with the Federal Department of Industry and Commerce.

One summer with Statistics Canada. Work involved participation in the development of an intersectorial financial flows model of the Canadian economy.

1970 - 1973

Financial and investment analyst with the Caisse de dépôt et placement du Québec (Montréal), a diversified investment fund with assets in excess of \$1.5 billion. Responsibilities included the monitoring of economic and political conditions, the analysis, surveillance and selection of equity investments in communications,



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1973 - 1974

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Trucker, Pacific Western Airlines Ltd. (air cargo trucking division). Inuvik, N.W.T.

1974 - present

Independent economist and management consultant based in Inuvik, N.W.T. Work has involved accounting, taxation and management consulting for local businesses and the preparation of economic assessments for the Territorial Government, the N.W.T. Chamber of Commerce and Foothills Pipe Lines Ltd.

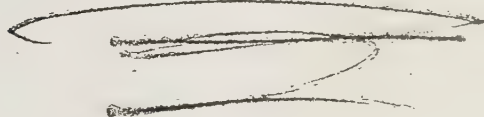








TO: Mr. Justice Thomas Berger, Commissioner  
of the Mackenzie Valley Pipeline Inquiry,

*Aug 20<sup>th</sup>*  
*1055-1/1*  


A BRIEF ON THE IMPACT OF THE  
MACKENZIE VALLEY PIPELINE ON HOUSING  
IN THE MACKENZIE VALLEY AND  
GREAT SLAVE REGION

Respectfully submitted by:

The Housing Corporation of  
the Northwest Territories

August 3, 1976



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## I. INTRODUCTION

The objective of this report is to measure the impact the proposed MacKenzie Pipeline or pipelines will have on housing in the communities of the Lower, Central, Upper MacKenzie and Great Slave Regions.

In assessing the possible impact a literature search has been conducted on both the MacKenzie Valley and Alaskan pipeline, and meetings held with the Planning Division, Department of Planning and Program Evaluation and the Research and Evaluation Division, Department of Economic Development, Government of the Northwest Territories.

Despite these efforts to make this report as relevant as possible by assessing the most recent conditions, policy decisions now being considered but yet to be made by the Government of the Northwest Territories could dramatically alter the pipeline's impact as it appears at the time of this writing.

The employment policy outlining the level of employment by northerners on the pipeline is as yet unclear. The pipeline proponents have indicated the skill requirements for skilled and semi-skilled labour at various stages of development and locations, however, changes to the number of gas plants are being considered, and there are a variety of optional routes which could both affect the number as well as the location of workers.

The employment training policy has not yet been established, which would facilitate the task of job securement among northerners.



The policy has not yet been established between the unions involved and the Government of the Northwest Territories to determine dispatch techniques and quotas for ensuring the employment of northerners.

The price control policy, other than the federal guidelines will likely not be in effect to counteract the inflationary tendency that will accompany the pipeline construction period due to higher wages, a possible lack of supply of goods and labour, is not yet apparent.

Perhaps as important as any of the above policies is the degree to which native people will participate in a wage-based economy. The single statement on the subject, based on empirical research, rests on 1970 data "increases in earned income do not appear to provide an incentive for northern workers to migrate between communities in the Northwest Territories." (1)

This report therefore, can at best make a modest contribution. With so many variables as yet unknown it simply describes for the study area the existing housing stock, the housing need prior to any consideration of the pipeline, the present housing programs and the direction that new programs are likely to take, and the impact, as it can be described at this time on the increased need for housing, on construction materials, and on the availability of labour.

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1. Chun-Yan Kuo and Chang-Mei-Lu, A Study of Migration Behavior in the MacKenzie District of Northern Canada, Regional Planning Section, Policy and Planning, ACND Division, Northern Policy and Program Planning Branch, DIAND, May 1975, Pii





Where data has been available the report uses three levels of comparison, National, Territorial and the Pipeline Study Area. The Study Area includes 19 communities in four regions:

Lower MacKenzie: Aklavik, Arctic Red River, Fort McPherson, Inuvik and Tuktoyaktuk;

Central MacKenzie: Fort Franklin, Fort Good Hope, Fort Norman, and Norman Wells;

Upper MacKenzie: Fort Liard, Fort Simpson, Jean Marie River, Nahanni Butte, Trout Lake, and Fort Wrigley; and

Great Slave: Enterprise, Fort Providence, Hay River and Yellowknife.

One last note to the introduction - From August, 1973 to April, 1974 the Territorial Housing Corporation with funding assistance from the Central Mortgage and Housing Corporation undertook a detailed survey of communities in the Northwest Territories. This Need and Demand Study referred to as the Northwest Territories Housing Corporation (NWTHC) Survey covered all settlements in the Study Area except Enterprise. The Study sampled approximately 80% to 100% of the units at that time.

This report updates the actual need forecast from the survey in 1974 both because of errors in procedures used at that time and because this report will rely on family formation rates rather than population growth rates to determine future housing need. Where figures have been changed they are a result of direct reference to original questionnaires or recalculations. Thus some of the information contained in this report will differ from that made available earlier to the pipeline proponents.



## II. SUMMARY AND RECOMMENDATIONS

Population in the Territories has been growing at the extremely rapid rate of 4.2 per cent. At the same time there has been a tremendous shift in the population from camps to concentration in settlements between 1961 and the present.

The condition of existing housing is poor with 3 per cent condemned, 8.5 per cent in need of major repair and 38.6 per cent requiring minor repair. Most of the housing in these categories is occupied by native people.

Crowding is extremely high in the Territories with 26 per cent of the population living in crowded conditions. The 1971 Territorial average was 4.7 persons per unit, while Native people living in public Territorial housing averaged 6.12 persons per unit in 1974 in Northern Territorial housing.

The social housing requirement in the Territories in 1976 is 1260 units and 3110 by 1981 based on a family formation rate of 5.36 per cent to 1976 and 4.24 per cent to 1981. In addition to the requirement for family accommodation there is a growing need for single persons and senior citizens multicare units.

The situation in the study region parallels that of the rest of the Territories with the exception that homeownership is higher in the study region. The social housing representing approximately 80 per cent of the need in the communities of less than 1000 population.



Housing policies for the N.W.T. Housing Corporation to encourage homeownership are still inconsistent with those of staff housing where considerable benefit is derived from renting. And, conflict exists between N.W.T. Housing Corporation policies of 25 per cent of income for rental and the low maximum rents that exist in housing provided by governments and major employers.

The Housing Corporation making use of federal funds through both the National Housing Act and Treasury Board directly has inadequate funds to redress the housing situation. Indeed the N.W.T. Housing Corporation cannot even keep pace with new family formation, cannot match the existing shortfall and does not have sufficient funds to rehabilitate and adequately repair the existing housing stock to prevent an even greater worsening of the situation.

Lack of future planning is restricting the supply of land to even meet the present allocations of housing and servicing is falling behind as well. Sanitary conditions and water supply are strained or primitive in some communities and labour, especially skilled labour to construct the housing units produced by the N.W.T. Housing Corporation, is only now becoming available.

To this condition is added the 1100 housing units required by the operations of the pipeline. This assumes no impact from the construction phase of the pipeline. If hiring practices are not successfully enforced nor mobility between work camps and settlements restricted then this impact would indeed be worsened.





While the major impact is likely to be felt in Inuvik, Fort Simpson, Norman Wells, Hay River and Yellowknife, the impact of inflation and the drain on labour for house construction is likely to be even more critical in the smaller settlements where limited resources exist to respond to change.

This report attempts to be detailed as possible in assessing the impact of the pipeline but there are still too many unknowns to pinpoint the impact on specific settlements. This can only be done in the light of clear policy, directives, consensus on routing, timing, and economic and employment multipliers. This latter area requires considerably more study.

It is however, hoped that this report will make a contribution to the Commission and be useful in the Commission's assessment of impact.

### Recommendations

1. That a planning and development authority be created to co-ordinate and control the timing and development of the pipeline in the Mackenzie Valley and Great Slave Regions.
2. That a land use and site development plan be prepared for each settlement to at least 1981 to ensure the delivery of suitable serviced land for housing development.
3. That the additional funds required to meet the rapid growth condition created by the pipeline be appropriated by Treasury Board as a condition of pipeline approval.



1. That housing units not be reallocated from other parts of the Territories to meet the housing need in the study region, thus worsening the condition elsewhere. It is however, recommended that 50 per cent of the housing need be funded and constructed in the pipeline area prior to pipeline construction, the remainder to be completely constructed from materials used in the pipeline construction camps based on recommendation number 5.

5. That all structures used throughout the construction period should be of modular design with as few basic components as possible in order that they may be dismantled and reconstructed in the settlements for housing purposes. It is recommended that the N.W.T. Housing Corporation be consulted on the design of such units to ensure future utilization.
6. That permanent employees of the pipeline, located in the study region be provided accommodation by the proponents.
7. That for permanent employees any assistance for housing should favour homeownership to encourage stability.
8. That northerners should receive the same housing subsidies and privileges as other workers employed on all aspects of the pipeline.



9. That the maximum rents charged in staff housing be put on the same basis as those in the rent to income public housing by charging 25 per cent of income or economic rent whichever is the lesser, but in the interim maximums be set on social housing that are parallel to those in staff housing.
10. That an incentive program be established to encourage the development of local construction companies and prefabrication plant(s).
11. That input from southern suppliers in the construction of housing should be restrained to the volume that cannot be covered by local entrepreneurs.
12. That because of the heavy load on northern transportation systems due to pipeline construction, safeguards be enacted to provide shipping facilities for housing material and general supply.
13. That the Federal Government through the most appropriate mechanism make available funds for rehabilitation of existing housing immediately in order to maintain at least the present supply of housing.





EXISTING HOUSING IN N.W.T.

The Census data indicated that in 1971 there were 7,535 occupied dwellings in the Northwest Territories of which 56.47% were in urban communities with a population greater than 1000 persons. Arctic Gas estimated the number of units in the Pipeline Study Area at 5,136 in 1972/73. N.W.T.H.C. Survey in 1973/74 actually sampled 4,281 in the study region, approximately 80 per cent.

The Corporation presently administers 3169 units throughout the Territories, 822 or 25.9 per cent of these are in the study area. (TABLE 1).

The 1974 N.W.T.H.C. Survey (TABLE 2) indicated: 236 or 3 per cent of the 7526 surveyed housing units in the N.W.T. were in a condemned condition and 141 or 60 per cent were in the study area; 637 or 8.5 per cent were in need of major repair of which 288 or 45 per cent were in the study area; and 2905 or 38.6 per cent required minor repair and 1718 or 59 per cent were in the study area. (TABLE 2). As 57 per cent of the units surveyed were in the study area we can conclude that the condition this housing is no worse than that of the rest of the N.W.T. However, the general condition of housing is very poor with 50 per cent of the units requiring repair or being condemned.

#### Stock Utilization

The ratio of renters to owners in the N.W.T. is exceedingly high. Of the 4,281 units surveyed in the study region 1125 or 26.3 per cent were owner occupied and 3156 or 73.7 per cent were renter occupied in 1974 (TABLE 3), compared to 60.3% and 39.7% respectively for Canada in 1971. The high ratio of renters to owners



LOCATION	NORTHERN RENTAL	PUBLIC HOUSING	SENIOR CITIZENS	SINGLE PERSONS	NON-PROFIT	TOTAL
LOWER MACKENZIE						
Aklavik	99	5				104
Arctic Red River	13					13
Fort McPherson	55		8			63
Inuvik	52	67	10	29		158
Tuktoyaktuk	76	10				86
Sub-Total	295	82	18	29		424
CENTRAL MACKENZIE						
Fort Franklin	53					53
Fort Good Hope	22	5	8			35
Fort Norman	34					34
Norman Wells	5					5
Sub-Total	114	5	8	0		127
UPPER MACKENZIE						
Fort Liard						0
Fort Simpson	32		8			40
Jean Marie River						0
Nahanni Butte						0
Trout Lake						0
Fort Wrigley						0
Sub-Total	32	0	8	0		40
GREAT SLAVE						
Enterprise						0
Fort Providence	45					45
Hay River	25	40	16	29	10	120
Yellowknife *	0	36	17			66
Sub-Total	83	76	33	29	10	231
REGIONAL TOTAL	524	163	67	58	10	822
TERRITORIAL TOTAL	2634	384	83	58	10	3169

Includes Lathan Island and Detah









1. A condemned unit is defined in the Need and Demand Study to be one which fails to provide warmth, dryness and a healthy environment.
2. Major repairs are defined as those repairs necessary to bring a house up to habitable standards and extend its life expectancy to 10-20 years.
3. Minor repairs are defined as those repairs necessitated by normal use which require immediate attention.
4. NHTHC includes all housing constructed by the Northwest Territories Housing Corporation (i.e. Northern/Territorial Rental Housing, Public Housing, Single Persons and Senior Citizens Housing).
5. S00 includes all self-owned and occupied housing.
6. Government rental housing includes all housing rented by any level of government (i.e. federal, territorial, and municipal).
7. Private rental housing includes housing rented from a private owner, including company owned housing.
8. Personal Care Home owned and operated by Social Development.
9. Includes 14 one room single persons accommodation.



# Surveyed Housing Stock

L O C A T I O N	Surveyed		Owners		Renters	
	Families	Total	number	%	number	%
LOWER MACKENZIE						
Aklavik	151	142	23	16	119	84
Arctic Red River	24	28	10	36	18	64
Fort McPherson	180	160	67	42	93	58
Inuvik	1,167	980	78	8	902	92
Tuktoyaktuk	137	104	14	13	90	87
Sub-Total	1,659	1,414	192	14	1,222	86
CENTRAL MACKENZIE						
Fort Franklin	74	67	26	39	41	61
Fort Good Hope	113	90	55	61	35	39
Fort Norman	55	44	16	36	28	64
Norman Wells	151	91	11	12	80	88
Sub-Total	391	292	108	37	184	63
UPPER MACKENZIE						
Fort Liard	63	58	48	83	10	17
Fort Simpson	152	152	71	47	81	53
Jean Marie River	11	10	9	90	1	10
Nahanni Butte	17	15	14	93	1	7
Trout Lake	11	11	10	91	1	9
Fort Wrigley	24	23	18	78	5	22
Sub-Total	278	269	170	63	99	37
GREAT SLAVE						
Enterprise	--	--	--	--	--	--
Fort Providence	99	85	32	38	53	62
Hay River	536	529	261	49	268	51
Yellowknife	1,826	1,692	362	21	1,330	79
Sub-Total	2,461	2,306	655	28	1,651	72
REGIONAL TOTAL	4,789	4,281	1,125	26.3	3,156	73.7



in the N.W.T. is due to the government staff housing policy and the supply of public rental housing.

The housing stock in the Northwest Territories has a very high proportion of persons per room and persons per household. In 1971 the Census recorded 4,640 housing units where the household shared and/or lacked facilities. This represents 61.58% of the total number of units. These few figures help to illustrate the situation.

Renters: In 1971, the Census recorded 1,665 renters or 21.96% of all households shared and/or lacked bath and/or toilet facilities. Of these 1,460 or 87.69% lived in settlements of less than 1000 population. (2)

In 1973, the N.W.T.H.C. survey (TABLE 4) recorded in the study region 236 renters or 7% of surveyed renter households for which this information is available<sup>(5)</sup> were living in overcrowded conditions of more than two persons per bedroom. Of these, 203 or 86% lived in settlements of less than 1000 population.

For the renters living in Northern/Territorial Rental Housing built prior to 1970 the average number of persons per unit ranged from a low of 3.28 in Fort Providence to 8.25 in Fort Good Hope (TABLE 4)

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2. CMHC, special census tabulations, Housing Need, 1971.
  3. Inuvik at 980 units has been subtracted from the housing stock because information is not available for overcrowding on the basis of tenure.





LOCATION	Total	Owned		Rented		Persons/ Unit	Persons/ N/IRFP ***
		number	%	number	%		
LOWER MACKENZIE							
Aklavik	44	5	11	39	89	5.40	7.10
Aklavik Red River	7	5	71	2	29	3.54	5.65
Fort McPherson	60	35	58	25	42	4.63	6.53
Inuvik	--	--	--	--	--	3.10	5.33
Tuktoyaktuk	51	5	10	46	90	5.81	6.92
*Sub-total	162	50		112		3.71	
CENTRAL MACKENZIE							
Fort Franklin	40	18	45	22	55	6.03	7.83
Fort Good Hope	41	21	51	20	49	4.57	8.25
Fort Norman	20	7	35	13	65	5.20	5.67
Norman Wells	6	4	67	2	33	4.05	5.80
Sub-Total	107	50		57		4.79	
UPPER MACKENZIE							
Fort Liard	32	32	100	0	0	5.16	
Fort Simpson	26	15	58	11	42	4.40	6.62
Jean Marie River	4	4	100	0	0	5.10	
Nahanni Butte	8	8	100	0	0	4.73	
Trout Lake	8	8	100	0	0	5.0	
Fort Wrigley	12	12	100	0	0	5.61	
Sub-Total	90	79		11		4.73	
GREAT SLAVE							
Enterprise	--	--	---	--	--	--	--
Fort Providence	34	11	32	23	68	5.44	3.28
Hay River	61	50	82	11	18	3.81	
Yellowknife	64	42	66	22	34	2.98	
*Sub-Total	159	103		56		3.26	
*REGIONAL TOTAL	518	282	54	236	46	3.62	
TOTAL GILL POPULATION LESS THAN 1000	593	190	48	203	52		

Population, 1000 - (1971)

\* Including Inuvik and Enterprise

\*\* Lower Northern Territorial Rental Housing Program built prior to 1975



Owners: In 1971, the Census recorded 471 owners or 8.89% of all households lived in accommodation with more than 1.1 persons per room. Of these 490 or 73.13% lived in settlements of less than 1000 population.

In 1973, the NWTNC Survey (TABLE 4) recorded in the study region 282 owners or 8.5% of the surveyed households for which this information is available, (3) were living in overcrowded conditions of more than two persons per bedroom.

Renters  
and

Owners: The average number of persons per unit in the Study region was 3.62 with a range from a low of 2.98 in Yellowknife to a high of 6.03 in Fort Franklin.

TABLE 5

CROWDING

Location:	<u>Crowding Index</u>			<u>Persons/Household</u>			<u>Rooms/Dwelling</u>		
	1961	1971	% Change	1961	1971	% Change	1961	1971	% Change
Canada	.74	.64	-13.5	3.9	3.5	-10.3	5.3	5.4	

From the above we conclude a very heavy utilization of the housing stock in rental housing particularly in communities of under 1000 population. It should also be pointed out that the situation in Canada is improving while that in the Territories is worsening.



Much of the literature and work presented on housing need in the study area is based on population growth rates applied to the housing stock. Population is only a crude indicator of growing housing requirements, the major indicators in housing analysis are household formation and family formation or its reciprocal, headship rates. However, in the Northwest Territories household formation is largely restricted by the lack of housing supply and is considered as a poor indicator of housing need. Family formation is used as the basis of this study.

The basis of this report is the 1973/74 NWTHC Survey which established the number of units required on a community basis to reduce the overcrowding and multiple occupancy, and replace the dwellings considered as condemned at that time. Population projections for the Territories based on the conventional method of adding natural increase (the excess of the birth rate less the death rate) to net migration (the balance of immigration, and emigration) to the existing population in 1971 were produced by IAND and the average of the lowest and highest projection was used. All communities in the Territories were grouped into three categories or tersiles. Each tersile contains one-third of the total territorial population. The communities were ranked in order of their growth rates from 1961 to 1971. Thus the first tersile has the lowest growth rate and the third has the highest. The growth rate projected by IAND to 1976 and 1981 was then apportioned between these tersiles. Each community within the tersile was projected to grow at the same rate.





The assumption being that slow growth communities from 1961-1971 would remain slow growth communities. While this is not strictly accurate for all communities it was felt to be a better technique than assigning one overall growth rate to each community. Age specific information for projections on a community basis is either not available or the sample is too small to be accurate in most communities especially when aggravated by the Census Canada policy of random rounding.

To the projection of population on an age specific basis, 1976 and 1981 was projected the 1971 percentage of family heads in each age group, thus indicating the family formation likely in those years. It should be noted that the population of the Territories is extremely young in 1971, that is a very large proportion of the population was under 15 years of age. As this group moves up the age ladder and forms families significant pressure will and is being placed on the housing stock.

The average annual increase in family formation was then added to the housing stock required in 1974 to meet the needs at that time on the basis of one unit per each new family formed.

Three other calculations have been made. First, if the 1974 requirement in the need and demand study was met a number of one and two bedroom units would become available as they were vacated for larger accommodation. These units were then used for the new families being formed. Second, some of the housing units in need of major repair have been considered as becoming condemned over the six year period to 1981 because no rehabilitation



program has yet been developed. These units have been added to the housing requirement. Third one-third of one per cent of the stock is considered to be lost in fire each year. This figure is high in relation to that of Canada but it is based on records to date by the NFRC. This number is also added to the housing requirement.

Any increase in population in the Pipeline area beyond these calculations should be taken as adding a requirement of one additional housing unit for each 5.6 persons.

#### Population:

The most specific and consistent data on population in the Territories exists in the Census. Other sources such as the Government of the N.W.T. and municipal enumeration can act as a supplement but they lack the detailed breakdown and the comprehensiveness of the Census. It should be noted however, that these other sources generally place the population of the Territories higher than the Census but the rate of growth does not differ significantly between the various projections from 1971 to 1981. This is due to the consistently higher figures than the Census in 1971 and 1976.

The 1971 census population was 54,805 and the annual growth rate calculated was 4.2 per cent between 1961 and 1971 as compared to that of Canada at 1.7 per cent. Population projected by IAND is 3.7 to 1976 and 3.0 to 1981.



Gemini North projected the annual growth rate at 4.2 from 1971 to 1975 and 3.1 from 1976 to 1981. The Northwest Territories Government Survey put the population of the Territories at 38,200 and has estimated the 1976 population at 46,500 based on updating the 1975 Research Institute of Northern Canada Survey. The annual growth rate is 4.0 per cent for the period.

Considering the three sets of projections to 1981, IAND produces at 39.4 per cent increase and Gemini North 41.6 per cent while the GNWT has not projected the growth to 1981.

It can be readily seen that the growth rates are relatively similar if the actual numbers of persons are not.

As this Study is more interested in family formation and will base its actual count of housing units and families on the housing needs study done by the NWT Housing Corporation the actual members used by the various groups in projecting population are less useful than the rate of growth, about which there is some consistency. The growth rates projected by IAND are used in this study: 1961 to 1971 at 4.2, 1971 to 1976 at 3.7, and 1976 to 1981 at 3.0 per cent.

### Age Distribution

The N.W.T. had a very high proportion of its population in 1971 below 15 years of age. This is of major importance because as this population matures it will form new families and increased demand for housing. In 1971 29.6 per cent of the population in Canada was below 15 years of age, while 42.9 per cent was the number for the corresponding age group in the Northwest Territories.





In 1971 in the Study Area, those below 15 years of age, represented 51.1 per cent, while Yellowknife, Fort Smith, Inuvik and Hay River had 35.7 per cent and the remaining communities with a population of less than 1000 persons had 42.4 per cent in this age group under 15 years of age. From 1961 to 1971 in the N.W.T. those under 15 increased by 61.9 per cent compared to 45 per cent, and 27.1 per cent for those 15 to 64 and 65 and older. Thus in the period from 1971 to 1981 we can expect to see substantial increases in population in the 15 to 64 age group as this population ages. The anticipated growth rate for this age group is 3.8 per cent for Indians, 4.5 per cent for Others, and 5 to 5.6 per cent for Eskimos. (4)

#### Family Formation

From the age distribution, and growth projected for the 15 to 64 year old age group in the population, it could be expected that the rate of family formation might increase over the period. To test this hypothesis, the ratio of family heads to total population was determined on an age specific basis for 1971. The ratio for each age group was then applied to the projected age specific population in 1976 and 1981 on the assumption that the average marrying age would remain constant to 1981.

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(4) Population projections of the N.W.T. to 1981. Chang-Mei-Lu & D.G. Emerson Mathurin. Regional Planning Section: Policy and Planning, ICND Division, Northern Policy and Program Planning Branch, DIAND, Nov., 1975.



The results indicated an increase in the average number of families from 6585 in 1971 to 8737 in 1976 and 10,771 in 1981. This increase corresponds to an average annual growth rate of 5.75 per cent during 1971-76 and 4.34 per cent during 1976-81. Comparing these results with the projected population growth rates of 3.7 per cent and 3.0 per cent for the same periods indicates family formations will increase at a rate of 158.4 per cent and 141.3 per cent greater than the population growth rate for 1971-76 and 1976-81 respectively.

This calculation very likely underestimates the family formations due to the upward shift in the female population in the age group 20 to 39 which has been occurring in the N.W.T. since 1956 when the ratio was 139 males for every 100 females to 1971 when the ratio was 111 males per 100 females and projected at 107 per 100 in 1981. (5)

The family formation herein determined represent the average annual growth rates for the N.W.T. as a whole and are therefore not necessarily applicable to any individual community. Furthermore, to uniformly apply these growth rates to every community would result in a gross distortion of the population.

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(5) Calculated from Projection C, Statistics Canada, Catalogue no. 91-514.



by applying the communities into tertiles as described above. The projected population growth rates of 3.7 per cent and 5.0 per cent were proportioned across low, medium and high growth communities. By applying the ratio of each tertile population growth rate and the Territorial population growth rate to the Territorial family formation rate, family formation rates for each tertile were calculated. The results are presented in the table below.

TABLE 6      PROJECTED POPULATION GROWTH RATES AND FAMILY  
FORMATION RATES BY TERSILE      1971-81

		<u>1971-76</u>		<u>1976-81</u>	
		Population Growth Rate (%)	Family Formation Rate (%)	Population Growth Rate (%)	Family Formation Rate (%)
(1)	Low Growth Communities	1.55	2.45	1.26	1.78
(2)	Medium Growth Communities	3.38	5.35	2.74	3.87
(3)	High Growth Communities	7.35	11.64	5.96	8.42
AVERAGE		3.70	5.86	5.0	4.24





All communities in the study area, with the exception of Hay River, Inuvik and Yellowknife fall into the low growth group.

#### Estimated Need to 1981

To determine the housing requirements to 1981 on a community by community basis, the housing need resulting from new family formations and the replacement of houses written off due to fire damage or uninhabitable condition is added to the housing need indicated in 1974 by the 1973/74 Housing Survey. The results are presented in TABLE 7.

Interpretation of the data provided in this table must be prefaced by two comments. First, the calculations of housing need for Hay River, Inuvik and Yellowknife are based upon the figures provided by Polar Associates Ltd., a consulting firm hired by the N.W.T. Housing Corporation to conduct the housing survey in these three communities. These reports do not indicate the percentage of houses included in the surveys. The figures presented in TABLE 7 represent the housing need for this surveyed population only. In calculating the percentage of total housing need which represents the need for social housing, the percentage of government staff and private company owned houses to the total number of houses indicated in the housing survey has been assumed to remain constant overtime. That is, the distribution of new family formations among those who will live in government staff or company owned accommodation and those who will require social housing will remain the same.



HOUSING NEED BY C. DISTRICT IN 1976 AND 1981

LOCATION	1976				1981	
	TOTAL NEED BEFORE CONSTRUCTION	SOCIAL HOUSING CONSTRUCTION PROGRAM	TOTAL NEED AT YEAR END	SOCIAL HOUSING NEED AT YEAR END	TOTAL NEED	SOCIAL HOUSING NEED
<u>LOWER MACKENZIE</u>						
Aklavik	12	5	7	5	28	23
Arctic Red River	6	0	6	6	11	10
Fort McPherson	28	0	28	25	73	67
Inuvik	519	10	509	104(174)	881	176(298)
Tuktoyaktuk	53	10	23	21	47	43
Sub-Total	598	25	573	161	1040	319
<u>CENTRAL MACKENZIE</u>						
Fort Franklin	10	0	10	9	19	7
Fort Good Hope	24	0	24	22	45	41
Fort Norman	20	5	15	13	34	30
Norman Wells	16	12	4	0	20	0
Sub-Total	70	17	53	44	118	78
<u>UPPER MACKENZIE</u>						
Fort Liard	23	5**	18	17	41	39
Fort Simpson	21	5	16	11	46	35
Jean Marie River	0	1**	0	0	0	0
Nahanni Butte	5	3**	2	2	6	6
Trout Lake	0	6**	0	0	2	2
Fort Wrigley	6	0	6	6	14	13
Sub-Total	55	20	42	36	109	95
<u>GREAT SLAVE</u>						
Enterprise	--	--	--	--	--	--
Fort Providence	30	5	25	24	47	45
Hay River	191	20	171	92(146)	262	133(221)
Yellowknife	423	58	365	65(238)	878	172(568)
Sub-Total*	644	83	561	181	1187	350
REGIONAL TOTAL*	1367	145	1229	422	2454	842



Therefore, social housing need is determined by subtracting this proportion of the new family formation from total housing need.

It will be noticed that, in most communities, the social housing need is approximately 80% of the total need. The two exceptions are Inuvik and Yellowknife where the proportions are approximately 34 per cent and 67 per cent respectively. However, in calculating the number of new family formations in need of social housing, the ratio was determined from the inclusion of self-owned and occupied houses and houses rented from a private owner with houses provided by the N.W.T. Housing Corporation. In the smaller communities, where the N.W.T. Housing Corporation does supply the majority of the housing stock this should present a true indication of the actual need. However, in those communities such as Hay River, Inuvik and Yellowknife, the private market may well satisfy a large portion of the need generated by this group. In these three communities then, two figures for social housing need have been provided, one is calculated in the same method as in other communities to provide consistency (these figures are higher and appear in brackets) while the second figure excludes that need which could be signified by the private sector. It is this second figure which is included in the calculation of total need by region.





History of the Northwest Territories Housing  
Program

The only major housing assistance available to residents of the Northwest Territories prior to 1965 was in the form of repayable low cost housing first mortgage loans combined with forgivable second mortgage loans.

On October 12, 1965 Treasury Board approved an Eskimo Rental Housing Program with 1,158 units. An additional 400 units were approved when the Indians were given access to the program on February 23, 1968 which was renamed the Northern Rental Housing Program. On January 16, 1969 the Metis become eligible for assistance and 300 more units were approved. This program provided rent geared to income.

The program ceased on April 1, 1975 after the Northwest Territories Housing Corporation was created on January 1, 1974, implementing a policy of using only NHA programs and loans for the funding of new construction. The former programs continue under their former terms and conditions while the NHA programs operate under terms and conditions applicable on a national basis, particularly with respect to rental rates.

Under the N.W.T. Housing Corporation Ordinance the Corporation received a grant from the Territorial Government for the Territorial share of capital operations and maintenance and borrows capital and receives subsidies under the NHA.

The programs are designed and developed centrally; however, construction of housing is now almost entirely local



offices and settlement housing associations which function as local non-profit companies. (See Appendix A).

While the N.W.T. Housing Corporation has been created to deliver housing and subsidize its operation by making use of both funds available under the National Housing Act and from the Treasury Board through the Territorial Government, not all government housing is under this authority. Both the Federal and Territorial Government build and lease housing for government staff, while other large employers have similar policies for staff. The effect of the staff housing policies have been to encourage renting over private ownership. While Federal policies differ slightly from those of the Government of the N.W.T., the latter are used here as an example of the condition in this sector.

#### Staff Housing

The present stock of N.W.T. Government staff housing is approximately 1700 units. The average revenue from a 1390 sq. ft. house in Yellowknife is \$147.00 while the value of the accommodation considering a \$45,000 house is approximately \$560.00 including taxes and maintenance at \$50.00 and \$40.00 per month. The subsidy value is therefore \$313.00. This subsidy is non-taxable and is worth even more to the high income earner than to the low income earner. As a step in encouraging home ownership the government has developed a new program offering employees with no dependants \$100.00, two dependants \$200.00, and three or more dependants \$300.00 for a private accommodation allowance to encourage home ownership.



... was 64.75 per cent (1,110) and assumed that the money saved by renting would be invested at 9 per cent ... of the principal rate.

Monthly Costs

	<u>Renter</u>	<u>Owner</u>
...	560.00	560.00
Subsidy Payment	415.11	300.00
	<u>147.77</u>	<u>260.00</u>
Tax on Subsidy @ 32.75%	-	98.25
	<u>147.77</u>	<u>358.25</u>
Value of down-payment of \$1 invested at 9%	16.83	16.83
	<u>120.94</u>	<u>375.18</u>
Profit from investment of subsidy	37.27	27.00
Tax at 32.75% on investment	12.37	8.84
	<u>95.15</u>	<u>356.97</u>
Principle repayment of 42,750 @ 50 years	-	<u>118.75</u>
Total monthly housing cost	95.22	238.22

N.B. It is assumed that the renter could invest the value of the downpayment and that the government subsidy of \$415 or \$300 is invested.

From this example it can readily be seen that the advantage of renting is considerable over that of owning under this program particularly for short term employees where capital gain will not play a major role in determining whether to rent or purchase.

Rent maximums in staff housing not only discourage home ownership but create an artificially low rent perceived by those in social housing programs based on rent to income as often unfair when income is sufficiently high to merit higher rents in social





## Ownership Programs

Within this context it is difficult to imagine home ownership programs being utilized to any great extent in the Territories, although two home ownership programs exist. The Federal Assisted Home Ownership Program (AHOP) has a maximum house value of \$45,500. Only twenty-two applications have been approved in 1970 and all are in Yellowknife. The program is described in Appendix "A". The loan is provided at 8% and assuming a \$45,500 house cost and \$900.00 taxes, the yearly income required is \$18,739. A grant of up to \$750.00 per year is available which would reduce the required income of the purchaser to \$15,739 should the interest reduction loan result in a payment for principle, interest and taxes that is greater than 25% of income. A cheaper home would of course allow persons of slightly lower income into the program however, new houses constructed in the Territories are usually valued above the loan limits, which at least partially explains why the program is ineffective. In general this is a moderate income program where a family income is considered to be rising at a rate more rapid than the rate of inflation.

The N.W.T. Housing Corporation is this year proposing a 750 per year (62.50 per month subsidy) to be added to this program. This would reduce the income limit for this example to \$12,739. This could make home ownership more attractive to a larger group. However, the maximum house price is very low and excludes many of the persons who would like to build.

The second program for homeowners is the Country Home Assistance Grant (See Appendix B) offered by the N.W.T. Housing Corporation and consists of a \$5,000 grant to purchase windows, bathroom



... , for heat, electrical equipment, etc. since the program  
began in 1973, one hundred and eleven grants have been  
applied with twenty-three such grants in 1976 in the study area.

The entire 1976 budget has been expended while approximately  
15 applications are on file for Liard, Nahanni Butte and Fort  
Trelle.

A third program offering home ownership at rent geared to  
income based on public housing scales and subsidizing the very  
high utility costs is being negotiated with CMHC at the present  
time for all communities in the Territories outside of Yellowknife.  
Agreement has not yet been reached on the extent of the utilities  
subsidy with the Federal governments housing corporation; however,  
this program will be available for those whose income is too low  
to qualify for the Assisted Home Ownership Program. The settlement  
of the utilities subsidy will determine if persons income  
requirements will be approximately \$10,000 per year minimum or  
\$8,400. National Housing Act Standards will apply to the program.

#### Rental Programs

Social housing in the Northwest Territories is largely confined  
to three rental programs, Northern/Territorial Rental Housing  
Program (N/TRHP) Public Housing Section 40 and 43 of the National  
Housing Act, and Senior Citizens Section 15 of the National Housing  
Act.

The N.W.T. Housing Corporation estimates costs of \$2,007,775  
for the 701 units in Table 8 for the study region for operation



... of these programs of which \$1,500,314 are  
financed by the Federal and/or the Territorial Government.

Rent costs collected in the N/TRHP are 22 dollars per units  
per month, compared to 150 dollars for public housing and 31 dollars  
for other citizens. (These programs are described in Appendix "B").

#### Northern Territorial Rental Housing Program

The N/TRHP is a rent geared to income program based on the  
National Housing Act definition of family income with a minimum  
of \$0.00 per month to a maximum of 20% of income or the maximum  
rent set for the particular unit based on size and type of unit.

#### Rental Maximums:

1 Room	\$50.00
1 Bedroom	70.00
2 Bedroom (512)	80.00
2 Bedroom	100.00
3 Bedroom (Pre 1966)	115.00
3 Bedroom (Post 1966)	150.00
4 Bedroom	145.00

The Corporation has 2,626 units in the Territories of which  
524 or 19.9 per cent are located in the study region in all  
communities except Fort Liard, Jean Marie River, Nahanni Butte,  
Trout Lake, Fort Wrigley and Enterprise. These units were  
built by Department of Indian Affairs and Northern Development  
and taken over the Housing Corporation when it was formed in  
1974. Occupancy is based on need and they are operated and  
managed by the local Housing Authority who determine need,  
allocate the units, collect rent and are responsible for





It is these units that for a long time have been condemned and in need of major repairs, including sanitary services, and proper heating equipment.

At the present the Territorial Government through a grant to the N.W.T. Housing Corporation covers all losses on these fully serviced units. The Federal Central Mortgage and Housing Corporation does not participate in this program, nor does not make available funds under its two repair programs (the Emergency Repair Program (ERP) and the Residential Rehabilitation Program (RRAP) for families living in these units despite the fact that the majority of native people live in these units.

#### Public Housing

The Public Housing Program and Senior Citizens Program are described in Appendix "B" and will not be elaborated on here except for one major point. The federal rent to income scale is used to determine monthly rents. The scale is graduated from a minimum of \$52.00 (less \$2 per child to \$28) to a maximum of 25 per cent of income at \$400 per month.

When this program is put in the context of staff housing where a 5 bedroom fully serviced house on the MacKenzie Highway System rents for \$170 no matter how high the income, public housing tenants see the inequities of the staff housing policy.



	NORTHMAN UNITARY	YOUTH H. HALL	SENIOR CITIZENS	SINGLE PERSONS	NON- PROFIT
<b>INUVIK</b>					
Units	99	5*			
Expenditure	151,898				
Revenue	27,415				
Subsidy	154,463				
Av. expen/u/m	155				
Av. rent/u/m	23				
Av. subs/u/m	130				
<b>Arctic Red River</b>					
Units	13				
Expenditure	24,649				
Revenue	561				
Subsidy	24,088				
Av. expen/u/m	158				
Av. rent/u/m	4				
Av. subs/u/m	154				
<b>Fort McPherson</b>					
Units	55		8		
Expenditure	98,182		26,810		
Revenue	10,939		1,728		
Subsidy	87,243		25,082		
Av. expen/u/m	148		85		
Av. rent/u/m	17		5		
Av. subs/u/m	131		78		
<b>Inuvik</b>					
Units	52	67	10	29***	
Expenditure	73,030	389,675	28,575		
Revenue	24,400	127,668	5,264		
Subsidy	48,630	262,007	25,311		
Av. expen/u/m	117	107	286		
Av. rent/u/m	39	47	33		
Av. subs/u/m	78	60	253		
<b>Tuktoyaktuk</b>					
Units	76	10*			
Expenditure	183,307				
Revenue	25,752				
Subsidy	157,555				
Av. expen/u/m	201				
Av. rent/u/m	28				
Av. subs/u/m	173				



LOCATION	NORTHERN RENTAL	SENIOR CITIZENS	SINGLE PERSONS	NON- PROFIT
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#### Sub-Total

Units	295	67	18	
Expenditure	561,066	583,673	55,335	
Revenue	89,067	127,468	4,992	
Subsidy	471,999	161,107	50,393	
Av. expen/u/m	158	107	256	
Av. rent/u/m	25	47	23	
Av. subs/u/m	133	60	233	

#### CENTRAL MACKENZIE

##### Fort Franklin

Units	53			
Expenditure	82,275			
Revenue	6,645			
Subsidy	73,612			
Av. expen/u/m	129			
Av. rent/u/m	14			
Av. subs/u/m	115			

##### Fort Good Hope

Units	22	5*	8	
Expenditure	40,404		27,190	
Revenue	5,540		1,536	
Subsidy	34,864		25,654	
Av. expen/u/m	153		283	
Av. rent/u/m	21		16	
Av. subs/u/m	132		267	

##### Fort Norman

Units	34			
Expenditure	50,183			
Revenue	2,688			
Subsidy	47,495			
Av. expen/u/m	123			
Av. rent/u/m	7			
Av. subs/u/m	116			

##### Norman Wells

Units	5			
Expenditure	8,969			
Revenue	3,689			
Subsidy	5,280			
Av. expen/u/m	149			
Av. rent/u/m	61			
Av. subs/u/m	188			





HOUSING EXPENDITURE ON 1976 HOUSING BUDGET  
BY REGION, BY HOUSING TYPE IN THE STUDY REGION

	NORTHERN RENTAL	PUBLIC HOUSING	SENIOR CITIZENS	SINGLE PERSONS	NON- PROFIT
<b>WATERLOO</b>					
Units	114		8		
Expenditure	181,813		27,190		
Revenue	20,562		1,536		
Subsidy	161,251		25,654		
Av. expen/u/m	133		283		
Av. rent/u/m	15		16		
Av. subs/u/m	118		267		
<b>UPPER MANITOBA</b>					
<b>Fort Simpson</b>					
Units	32		8		
Expenditure	58,233		32,775		
Revenue	9,632		2,500		
Subsidy	48,606		30,275		
Av. expen/u/m	152		341		
Av. rent/u/m	25		26		
Av. subs/u/m	127		315		
<b>GREAT SLAVE</b>					
<b>Fort Providence</b>					
Units	45				
Expenditure	57,060				
Revenue	7,870				
Subsidy	49,190				
Av. expen/u/m	106				
Av. rent/u/m	15				
Av. subs/u/m	91				
<b>Hay River</b>					
Units	25	40	16	29***	10***
Expenditure	41,114	281,451	55,189		
Revenue	7,156	64,560	7,712		
Subsidy	33,958	216,871	47,477		
Av. expen/u/m	137	586	287		
Av. rent/u/m	24	135	40		
Av. subs/u/m	113	451	247		
<b>Yellowknife</b>					
Units	15**	36	17		
Expenditure	13,278	201,785	51,775		
Revenue	1,560	65,450	8,150		
Subsidy	11,718	136,335	43,625		
Av. expen/u/m	85	467	254		
Av. rent/u/m	10	152	40		
Av. subs/u/m	75	315	214		



LOCATION	ACUTHERS RES. HL	UNIT SIN.	SERVICES CITIZENS	SINGLE PERSONS	NON PROFIT
Sub-Total					
Units	85	76	35		
Expenditure	111,452	115,316	106,064		
Revenue	16,586	15,310	15,862		
Subsidy	94,866	355,206	91,102		
Av. expen/u/m	112	550	270		
Av. rent/u/m	17	143	40		
Av. subs/u/m	95	357	230		

## REGIONAL TOTAL

Units	524	143	67		
Expenditure	912,569	872,891	222,314		
Revenue	135,847	257,673	24,890		
Subsidy	776,722	615,218	197,424		
Av. expen/u/m	145	309	277		
Av. rent/u/m	22	150	31		
Av. subs/u/m	124	359	246		

- \* -- These units have only been completed in 1976 and consequently budget figures would be misleading.
- \*\* -- Includes Latham Island and Detah.
- \*\*\* -- Single person and non-profit operate without assistance from the NWTNC and budgets are the responsibility of the local associations.
- (1) -- average expenditure per unit per month
- (2) -- average rent per unit per month
- (3) -- average subsidy per unit per month



in relation to income as they are not at 25 per cent of income. Family income and are not fully subsidized. The staff will be paid a certain amount that a government staff member at \$18,000 per year will pay \$175. per month in a 1 bedroom unit for a family of five while a native northerner with in similar circumstances but working on the pipeline will pay \$506.50.

The actual cost to the N.W.I.H.C. of the housing, especially new housing is likely to be greater than this \$506. and in our view 25 per cent is not onerous. It is the staff housing policy which is inequitable because of unnecessary subsidy to high income earners. However, it is unlikely that the staff policy can be considered to be changed in the near future. While the policy should probably be to pay 25 per cent of income up to the actual economic rent, that is the rent equivalent to that necessary to recover all costs of principle, interest, taxes, operation and main turnover for the period of the pipeline construction at least maximum rents should be set for the public rental units that parallel the staff housing. This policy will not share in these additional subsidies, reviews should come from Treasury Board.

#### Special Subsidy Agreements

Two new subsidy arrangements are being developed under the National Housing Act with the Central Mortgage and Housing Corporation. They are the application of the rent geared to income formula to 25% of the units in the private sector.









All of the above will be subject to further review, and the existence of new problems will likely alter the annual budget which presently permits 225 to 250 housing units to be constructed and subsidised each year which could be reduced if costs increase more rapidly than budget allocations.

### PIPELINE IMPACT

The major areas of impact that concern the Housing Corporation are:

- \* re-allocation of housing to the MacKenzie and Great Slave regions to meet the housing requirement resulting from immigration from other northern settlements and camps.
- \* competition for land and services between N.W.T. Housing Corporation, social housing, direct and indirect pipeline employment housing and normal growth.
- \* increased construction costs due to economic de-stabilization and the competition for labour, particularly skilled labour.
- \* possible increases in rental revenues.
- \* increased maintenance due to further overcrowding if insufficient housing units are built.

### Housing Need

The housing requirement in addition to that established in the previous section will be dependent on the population resulting from the employment growth in primary and secondary job in the hydrocarbons industry. These jobs can be divided into permanent and temporary and in turn, generate additional or induced jobs in the service sector.









The use of the multipliers is follows: for every permanent hydro-carbon job DINA indicates that an additional two positions would be created in the community thus  $10 \times 1.2 = 12$  jobs in total, while the DINA study indicated 13.4, Van Ginkel 23 and Manforce 26.1. All of these multipliers are arbitrary and it should be noted that the Alaskan experience indicated 1.5<sup>(3)</sup> total jobs resulted from each hydro-carbon permanent position.

The induced employment resulting from temporary employment confined to the pipeline construction period is considered in all reports to be minor as employees are assumed to be primarily in-migrant and spending the wages outside the pipeline area. However the degree to which these positions are filled by northerners should have considerable bearing on the induced employment in the service sector.

Population projections based on multipliers of the total jobs produced also vary from 1.4 dependants per worker projected in the DINA study to 1.5 projected by Van Ginkel and by Gemini. Thus 10 workers in the hydro-carbon development could result in a total population of 18 persons as projected by Gemini and 37.5 as projected by Van Ginkel, a difference of 108 per cent between the highest and lowest projections.

Setting aside actual participation levels by northerners, 1000 permanent jobs in direct hydro-carbon activity could be expected to yield a population that varied from a high of  $(1000 \times 2.61 \times 2.5)$  6,525 to a low of  $(1000 \times 1.2 \times 2.4)$  2,880. If we assume the

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(3) A.R. Tussing et al, Alaska Pipeline Report, Institute of Social; Economic and Government Research, Report No. 51, p. 116.



and Gas Industry<sup>(1)</sup>. Using these jobs and the high multiplier the range of housing units required in 1991 is 848 to 1841, a difference of 117 per cent.

TABLE 22 HOUSING REQUIREMENTS DUE TO PERMANENT EMPLOYMENT  
ON PIPELINE AND GAS PRODUCING INDUSTRY 1991

Location	Employment	Housing Requirements		
		low	high	ratio
Lower Mackenzie/Delta	694	555	1205	725
Central Mackenzie	77	62	154	80
Upper Mackenzie	89	71	155	95
Great Slave	200*	160	347	208
Total	1060	848	1841	1104

\* It is assumed that 200 positions will be developed to monitor the project for the Government of the N.W.T. and that these will be assigned to Yellowknife.

This range is too broad to be useful. Therefore this study has assumed an employment multiplier of 1.5 based on the Alaskan experience and a population multiplier of 2.5 and that each household would consist of 3.6 persons. This results in what would be a conservative estimate at 1104 units because the 3.6 person household may be high (Corini used 3.3 which would add an additional 116 units).



... of the ...  
... and 200 ...  
... 200 are included  
... (TABLE 10)

... requirement is derived from the permanent  
... it is assumed that these housing units  
... be social housing units. They will however  
... strain on the housing delivery system in the north  
... could easily result in a filtering process whereby house prices  
... rise due to demand push and this could force those already  
... existing housing to seek new accommodation because of increased  
... in private rental stock. In addition some of these positions,  
... particularly those induced jobs may well require assistance from  
... programs.

#### Ser. Action

The Northwest Territories Housing Corporation delivers  
approximately 200 housing units per year in the Territories.  
This limited number of units is placing considerable strain on  
the capital required for services and while the N.W.T. Housing  
Corporation could borrow from Central Mortgage and Housing  
Corporation for land assembly and servicing, these costs would  
be transferred to the cost of public housing reducing the  
number of units built because of maximums set on capital for  
... by both Central Mortgage and Housing Corporation  
... Treasury Board.





## Hay River

As most housing produced by the H.M.I. Housing Corporation is partially prefabricated this report will only examine the costs of this type of unit. The costs F.O.B. the Hay River barging point are as follows:

TABLE 11      1976 CONSTRUCTION COSTS FOR PREFABRICATED UNITS

Unit Type	Dimensions	Sq. Ft.	Lbs./ Sq.Ft.	F.O.B. Cost	Cost/ Sq.Ft.
2 Br.	28x36 + 4x12	1056	---	17,000	16.10
3 Br.	28x40 + 4x12	1168	---	19,856	17.00
4 Br.	28x44 + 4x12	1280	58.2	21,760	17.00
5 Br.	28x98 + 4x12	1592	57.57	25,664	17.00

These costs have increased by approximately 9% over the 1975 costs. It is expected that the impact of the pipeline would be insignificant on these units as they are built through public tender and bidding is largely confined to a small number of southern manufactures. The present units are being built in Yorkton, Saskatchewan by Weber Homes.

It is however the costs of barging to the site by sea lift, local cartage, gravel pads, and unit erection costs which will be affected by pipeline-caused inflation.



Local	Cents/100 lbs.		S. L. and Co. in P. L. and			
	basic	clean	2 Br	3 Br	4 Br	5 Br
AKIA	344	316	2877	2390	2510	2730
Abotikad Pika	327	311	1870	2100	2000	2300
Port Chivers	344	316	2070	2200	2510	2740
Inari	344	316	2070	2390	2510	2750
Tuktoaktuk	388	382	2335	2500	2830	3000

<u>SEMI-MACKENZIE</u>						
Fort Franklin	457	556	2750	4040	3340	3630
Fort Pitt River	270	405	1630	1800	1970	2140
Fort Laramie	255	547	1400	2550	1700	1850
North Wells	223	535	1540	1400	1630	1770

<u>UPPER MACKENZIE</u>						
Fort Lard	173	260	1640	1150	1260	1380
Fort Simpson						
Jean Marie River						
Nahanni Suite	206	509	1240	1370	1500	1630
Trout Lake						
Fort Wrigley						

<u>GREAT SLAVE</u>						
Enterprise	130	195	780	870	950	1030
Fort Providence						
Hay River						
Yellowknife						

2 Br 10,128 lbs.  
 3 Br 44,584 lbs.  
 4 Br 48,610 lbs.  
 5 Br 52,700 lbs.



... and ... available, ... Port Simpson. Any ... competition due to ... add to these basic ...

Gravel pads on which the units are situated are largely a ... cost and in 1976 ranged from \$1,000.00 to \$1,200.00 per unit depending on location and unit size.

Local cartage of the prefabricated unit to the site is approximately 300 to 450 depending on unit size.

In addition to the above costs 5% of the f.o.b. price is now estimated for damage and loss. These components then make up the total unit costs.

In 1975 construction of prefabricated units took place in a number of communities in the study area. (TABLE 12)<sup>3</sup>

TABLE 15 PREFABRICATED PUBLIC HOUSING UNITS COSTS, BY LOCATION, UNIT SIZE AND COMPONENTS OF COST, 1975 CONSTRUCTION YEAR

Location	Size	1 <sup>a</sup> Cost FOB Point	2 Package and Loss	3 Local Cartage	4 Sea Lift	5 Gravel Pads	6 Erection	7 Total Cost	Columns 3,4,5,6 as % of 7
... ..	4 br	19,920	---	---	2,000	800	8,000	30,720	55.2
... ..	4 br	19,920	---	---	1,500	1,000	8,000	30,420	54.8
... ..	5 br	22,485	---	---	1,800	1,200	8,700	33,185	55.5
... ..	4 br	19,920	---	---	2,500	1,000	10,000	33,420	49.4
... ..	4 br	19,920	---	---	1,000	1,000	8,000	29,920	55.4

<sup>a</sup> ... included in FOB costs prior to 1970.





# UNIT COSTS OF PREFABRICATED HOMES IN THE NORTHWEST TERRITORIES 1973-1976

		1	2	3	4	5	6	7	Column
		Cost F.O.B. Point	Dragee and Loss	Local Cartage	Sea Life	Gravel Pads	Erection	Total Cost	5, 6, 7 as % of 7
3 Bedroom	1 Br	21,760	1,088	400	2,510	1,050	10,000	36,808	37.9
4 Bedroom	2 Br	21,760	1,088	400	2,510	1,350	10,000	37,908	38.5
	3 Br	23,064	1,183	450	2,750	1,450	10,700	40,177	38.2
5 Bedroom	4 Br	21,760	1,088	400	2,850	1,250	12,000	39,328	41.9
6 Bedroom	4 Br	21,760	1,088	400	1,970	1,250	10,000	36,468	37.5

Costs for the above units rose 9.2% and 21.4% for the 4 bedroom and 5 bedroom units at the F.O.B. point. While the costs of local cartage, sea life, gravel pads and erection is estimated to average 29.5 per cent in Aklayik, 34.9 and 31.0 per cent for 4 and 5 bedroom units in Fort McPherson, 22.1 per cent in Tuktoyaktuk, and 36.2% in Fort Good Hope. As these costs make up an average of 33.7 per cent of the total costs of the unit in 1976 the impact of increased labour, materials and barging could seriously affect the budget and delivery of units in the study region and the whole of the N.W.T.

We should note that while construction costs in Canada rose 41 per cent for the average N.H.A. financed home from 1973 to 1976 a 5 bedroom prefabricated unit in the N.W.T. rose 43 per cent. In 1973 it cost 9 per cent from 1973 to 1974, 31 per cent to 1975 and 12 per cent to 1976.



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#### Labour Supply

All of the communities in the study area supply local labour to erect the housing units and only in Inuvik and Fort Franklin have outside contractors received tenders for supervision of the work. In both these cases local labour was used. The erection costs range between \$8,000 and \$10,000 depending on unit size and location.

High wages coupled with overtime for pipeline employees will force the N.W.T. Housing Corporation to compete for labour. The area of impact that will likely be most critical will be that of skilled workers, especially those who can supervise construction and tender on contracts who will either be employed on the pipeline or will demand competitive wages with those on the pipeline. (a list of wage rates currently employed by the N.W.T. Housing Corporation is attached as Appendix "C".)

This competition could increase the cost of units substantially and in the event of actual labour shortages in the skilled areas, the Corporation would be forced to depend on southern contractors, where they would be prepared to submit tenders. Dependence on the availability of southern contractors would mean dependence on the economic climate for the construction industry in Saskatchewan.



1. The first of these is the fact that the  
2. number of people who are employed in the  
3. service of the government has increased  
4. in the last few years. This is due to the  
5. fact that the government has been able to  
6. raise the level of its expenditure on  
7. the service of the government. This is due to the  
8. fact that the government has been able to  
9. raise the level of its expenditure on  
10. the service of the government.





A P P E N D I X " A "

EDINBURGH ASSOCIATION OF THE N.Y.T.



Housing is a major prerequisite for the continued health and well-being of people and communities. The Northwest Territories has a number of unique factors that have had considerable influence on the development of housing:

- Extremely high costs for construction and operations
- A small population scattered over a vast area in isolated communities
- Transportation factors and a short building season
- A limited economic base
- A large indigenous population in a state of transition
- A semi-transient administrative population
- A lack of local skills in the areas of construction, maintenance and administration
- Climate

These factors have resulted in the major portion of the population living in rental accommodation. Under normal circumstances persons living in rental accommodation have little to say in respect to the management of housing and decisions that effect their daily lives. However they are in the position to seek alternative accommodation be it homeownership or another rental situation. Housing is of vital importance to the health and well being of the residents of the N.W.T. Most people in Canada are involved in decision making concerning their accommodation (size, rental rates, location, costs, homeownership etc.)

In order for residents of the N.W.T. to become aware of and participate in the decisions which effect their daily lives they must be involved in the management of housing at the community level. In conjunction with management and decision making authority are the responsibilities to manage housing within the terms of the programs.

#### HISTORY

Prior to 1965 houses supplied by the Government as welfare houses and for sale to Eskimos fell far below the standards recommended by the Department of National Health and Welfare.



## ACTIVITY AREAS

1. SOCIAL - as an organization representing tenants in dealing with the Corporation, educational programs and explanation of housing programs
2. MANAGEMENT - as an agent of the Corporation the administration, management and maintenance of Corporations assets within terms of Housing Programs

## Housing Associations - Terms of Reference

- 1. SOCIAL
  - Assisting tenants in exercising the purchase option
  - Allocation of Houses to tenants
  - Recommendations re: design and site
  - Recommending location of units
  - Recommendations for improvements
  - Advising of the need for educational programs, (housekeeping, home repairs)
  - Explanation of rental rates and tenants responsibilities



- For... .. and H.A. B. ...
- re: ... .. social problems including alcohol, wilful damage, over-crowding, long term visitors etc.
- Recommendation upgrading or disposal of Corporation houses.

## 2. ADMIN

- Complying with the requirements of the N.W.T.C. Societies Ordinance
- Recommendation approval or refusal of purchase option or tenants request to buy unit.
- Operating housing projects under the terms of specific programs.
- Assessing rent based on family income and the graduated rental scale.
- Collection of rent including initiating legal action for non-payment.
- Ensure that tenants meet their responsibilities for tenant maintenance
- Monitoring and payment for utilities, municipal services and maintenance.
- Financial management and administration including budget preparation and accounting for revenue and expenditures
- Implementing preventative maintenance schedules and arranging for preventative and emergency maintenance to be done by contract or by Association employees
- Arranging for approved extra-ordinary maintenance or renovations to be done by contract or Association employees.
- Ordering maintenance materials and supplies

To adequately perform the above activities each Housing Association needs to employ a trained Secretary Manager. In addition they must have access to skilled maintenance personnel as employees or contractors. These requirements are a very real problem for most Housing Associations due to the lack of trained personnel.

The N.W.T.H.C. holds training courses for Housing Association Secretary Managers and provides ongoing support, guidance and training through its district offices. The Corporation was instrumental in developing the Housing Maintenance Serviceman Apprenticeship program offered by the Government of the N.W.T. Housing Associations are encouraged to select local maintenance-men for the course.





- Factorial ANOVA
- Multiple regression of 90°F



## A P P E N D I X " E "

### ASSISTED HOME OWNERSHIP PROGRAM (AHOP)

The Assisted Home Ownership Program was introduced by the Federal Government in 1973 in an attempt to bring home ownership into the reach of low income groups. It has been revised a number of times and presently assistance is available through the Central Mortgage & Housing Corporation to any household consisting of two or more people purchasing a home valued within A.H.O.P. price limits. The current limit in the Northwest Territories is \$43,500.









...of the property or a third refinancing.

The non-repayable subsidy is available only to families with at least one dependent child who have first applied for the interest reduction loan and whose monthly payments of principal, interest and taxes still exceed 25% of their income. Family income in this case is defined to include income from all sources of the principle wage earner and spouse. The actual subsidy granted to a family is calculated to be that amount necessary to reduce monthly payments to 25% of income, with a maximum monthly grant limited to \$62.50.

This program is designed on the premise that inflation, and therefore increases in family income, will continue so that monthly payments in year six will not exceed 25% of income even though the interest reduction loan and the subsidy are removed at that time. To determine the impact of this program, monthly payments were calculated for the maximum mortgage obtainable under present A.H.O.P. limits.



1. The current interest rate of 12% is assumed to increase at a rate of 15% per year. A 95% mortgage is assumed with a term of 30 years. The maximum loan amount is \$40,000, resulting in a monthly payment of \$415. It is assumed that the applicant is eligible for an interest reduction loan and for the full subsidy under A.H.O.P. It is further assumed that the interest rate will continue to increase at the same rate as in the period from 1967 to 1974 or 160.7% over 11 years. This rate of increase results in an interest rate of 19 7/8% in 1981 (year 3) at which time the loan is re-negotiated. Property taxes are calculated to be \$900 per year for the first year based on current figures and estimated to increase at a rate of \$3 per year over the next 10 years.

The following table indicates the monthly payments of principal and interest required to amortize the loan as well as the annual income required to support such payments.



					Annual income in income
1		1.25	35.11	15,147	---
2	31	1.75	35.11	15,147	7.243
3	132.90	1.64	375.11	15,147	6.81
4	312.90	1.62	399.72	15,147	6.43
5	332.90	1.16	424.00	15,147	6.09
6	352.14	1.72	397.33	15,147	40.98
7	332.14	1.31	622.11	15,147	4.15
8	342.14	1.54	647.61	15,147	4.02
9	352.14	1.62	672.16	15,147	3.96
10	352.14	1.16	696.50	15,147	3.80

\* Principal plus interest

\* property taxes

With the exception of the large percentage increase in income in year 6 (40.98%), attributable largely to the re-negotiation of the outstanding principal as well as to the expiry of the interest reduction loan and subsidy under A.H.O.P., the percentage increase in income required to support the loan is decreasing over the years. The percentage increase in annual income over the ten year period is 113% or 6.8% per year compounded.



APPENDIX "C"

HOUSING PROGRAMS

Northwest Territories Housing Corporation





## OBJECTIVE

to provide housing for low income families at rates

## THE PROJECT

Any individual or family wishing to live in a family in a project must be a resident of the Northwest Territories and have a net income of \$12,000 or less.

## ELIGIBILITY

Any individual or family wishing to live in a family in a project must be a resident of the Northwest Territories and have a net income of \$12,000 or less.

## THE PROJECT WORK

Northwest Territories Housing Corporation in cooperation with a municipality or Hamlet and Central Mortgage and Housing Corporation may undertake to design and construct a housing project to provide family housing accommo-

modation or construction the project is turned over to a housing authority or housing association to carry out management and operations.

Each housing authority or association is responsible for the management, collecting the rents, rental collections and maintenance of the accommodation.

to be a new project or be an existing project and a request must be passed by the City, Town, Village, Hamlet or Settlement Council requesting the construction of public housing.

## HOW DO I APPLY?

Application for persons wishing to occupy a public housing project must be made to the local Housing Authority or Hamlet Council. Forms are available for purchase through a retail store or agency.

## FOR FURTHER INFORMATION CONTACT:

Managing Director  
Northwest Territories Housing Corporation,  
Box 2100,  
Yellowknife, N.W.T.  
Telephone: (403) 973-6111

## OR:

Northwest Territories Housing Corporation,  
DISTRICT OFFICES AT:

- Box 1750, Hay River, Telephone (403) 874-6386
- Box 2200, Inuvik, Telephone (403) 979-2393
- Box 413, Frebisher Bay, Telephone (519) 979-6286
- Box 93, Cambridge Bay, Telephone (403) 933-2276
- Repulse Inlet, Telephone (519) 646-2326

October, 1975



## WHAT DOES IT DO?

To provide suitable housing accommodation at reasonable cost to the Senior Citizens of the community. The program is designed to provide accommodation to those who are unable to care for themselves and do not require medical or nursing supervision.

## WHAT IS AVAILABLE?

Senior Citizens Accommodation usually consists of a small building with 10 to 20 beds, each with a private bathroom and a central kitchen. The apartments have a walk-in refrigerator, a kitchen sink and the building has a central lounge for use by the residents. Rent is geared to income and is based on a minimum rent of \$22.00 per month for a single unit.

## WHO QUALIFIES?

Senior citizen (single or married couple) may apply to the local housing authority for accommodation in these locations having senior citizens projects.

## HOW THE PROGRAM WORKS

Senior Citizens Accommodation is constructed through an agreement reached between the Municipality, Hamlet or Settlement Council and the Northwest Territories Housing Corporation in conjunction with General Mortgage and Housing Corporation. A proven need must exist in a community before accommodation can be built.

Senior Citizens are encouraged and assisted in the selection of the Corporation by an appointed local representative or representative with the local housing authority. The Corporation is responsible for the construction and operation of a senior accommodation on the basis of need.

## HOW DO I APPLY?

A application for accommodation must be made to the local housing authority or the nearest accommodation project.

## FOR FURTHER INFO, MARION DOWNES:

Director of Housing  
Northwest Territories Housing Corporation,  
Box 1112  
Yellowknife, N.W.T.  
Telephone: 876-3403

## OR

Northwest Territories Housing Corporation  
DISTRICT OFFICES AT:  
- Box 2200, INUVIK - (403) 973-2330  
- Box 413, PROBISHER BAY - (819) 757-5260  
- Box 1112, PANGNIN INLET - (819) 643-2323  
- Box 1750, RAY RIVER - (403) 274-6606  
- Box 33, CAMBRIDGE BAY - (403) 550-2276

October, 1980



2177  
17-11-11-11-11

## 1.0 INTRODUCTION

Single person projects are initiated by the person in which they are started and occupied, is based on need.

Single person projects are initiated by the person in which they are started and occupied, is based on need.

### HOW DO I APPLY?

Application for a single person project must be made to the local Housing Association or authority in charge of the single person project.

Application for a single person project must be made to the local Housing Association or authority in charge of the single person project.

### FOR FURTHER INFORMATION CONTACT:

For further information contact the local Housing Association or authority in charge of the single person project.

Housing Director  
Northwest Territories Housing Corporation  
Box 210  
Yellowknife, N.W.T.  
Phone: (403) 873-3403

OR

### 2.0 THE PROJECT WORK

Northwest Territories Housing Corporation  
DISTRICT OFFICES AT:

Single person projects are constructed through agreements made with Municipal, Village, Hamlet or Settlement Councils, Northwest Territories Housing Corporation and the Housing Corporation. Prior to a project being started a proven need must exist in a community. Single person projects are self-amortizing non-profit projects for which no fee is charged. This includes initiation, construction and all operating expenses.

- Box 2203, INUVIK - (403) 979-2300
- Box 415, FROBISHER BAY - (819) 737-5233
- RANKIN INLET - (819) 816-2326
- Box 1750, HAY RIVER - (403) 874-3333
- Box 63, CAMBRIDGE BAY - (403) 933-2278

October, 1975





01-1-1-1

and a furthering the housing needs of territories living in a state of emergency. Territories where there is no Government Subsidized Housing.

WHAT IS THE FEE?

There is a grant of up to \$5,000 to assist in the purchase of a house. The grant is based on the income of the applicant. The Corporation is also willing to provide technical assistance in the form of advice concerning the design and construction of a house. Assistance in obtaining the necessary building components.

WHO QUALIFIES?

Qualify for a grant under this program an applicant must meet the following requirements:  
1. In an area where there is no Government Subsidized housing.  
2. In need of adequate housing.  
3. Unable to meet the cost of purchasing and transporting manufactured housing components required to build a house.  
4. Willing to build the house using some locally harvested materials such as logs for the basic housing shell.  
5. Be the owner of his principal residence.

HOW THE PROGRAM WORKS

1. Applicant must obtain and complete an application form from the Corporation.  
2. An applicant who has been accepted must obtain this house, an approval from the local council, to construct a home in a public area within a community.  
3. In the absence of the Corporation's acceptance, an individual may apply to the Corporation and have the Corporation loan the money to pay for the manufactured materials required for the construction of the house, or they may order these materials from a local manufacturer.  
4. The Corporation will provide technical assistance to the applicant in the form of advice concerning the design and construction of a house.  
5. The Corporation will provide assistance in obtaining the necessary building components.

1. The Corporation will provide technical assistance to the applicant in the form of advice concerning the design and construction of a house.

2. The Corporation will provide assistance in obtaining the necessary building components.

3. The Corporation will provide assistance in obtaining the necessary building components.

HOW TO APPLY?

1. Individual family or cooperative group, or other group of individuals, may apply on behalf of a group of individuals.

2. Application may be obtained by writing to or contacting the Corporation office. If required, assistance will be provided in completing the application.

3. Application may be obtained by writing to or contacting the Corporation office. If required, assistance will be provided in completing the application.

FOR FURTHER INFORMATION CONTACT:

Managing Director  
Northwest Territories Housing Corporation  
Box 2100  
Yellowknife, N.W.T.  
Phone: 873-3405

OR

Northwest Territories Housing Corporation  
DISTRICT OFFICES ARE:  
- Box 2210, Inuvik - (403) 979-2350  
- Box 415, Prosser Bay - (819) 797-2188  
- Box 1100, Mayville - (403) 474-8013  
- Box 68, Cambridge Bay - (403) 442-2279

Circle 1075



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### ... ..

... .. of land for  
... .. land banks  
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... .. Northwest Territories  
... .. Mortgage and Housing  
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... .. Northwest Territories Housing  
... .. Corporation may undertake and  
... .. in a municipality  
... .. the entire  
... .. design and instal-  
... .. and eventual disposal.

... .. program is subject to a loan commitment from Central  
... .. Housing Corporation under Section 42 of the  
... .. Act. Where the loan is to be used to acquire  
... .. on a long-term lease hold basis, the term  
... .. 50 years; in all other circumstances the maximum  
... .. is 25 years.

... .. and terms of sale or lease of serviced land are  
... .. Northwest Territories Housing Corporation.

... .. Partnership

... .. Northwest Territories Housing Corporation is also  
... .. land parcels projects through  
... .. Housing Act. Under this legislation  
... .. and sales are borne by

... .. Northwest Territories Housing Corporation

... .. Northwest Territories Housing Corporation is permitted to  
... .. for loan banking purposes or to develop the  
... ..

... .. Northwest Territories Housing Corporation will be re-  
... .. the entire project on behalf of the partnership and will  
... .. financial, planning, servicing, design, installation and  
... .. disposal.

### HOW TO APPLY

... .. Northwest Territories Housing Corporation  
... .. land use is and actively assist a business person in  
... .. office of the Northwest Territories Housing Corporation.

### FOR FURTHER INFORMATION CONTACT:

... .. Director,  
... .. Northwest Territories Housing Corporation  
... ..  
... .. YELLOWKNIFE, N.W.T.  
... .. Telephone: (403) 673-3405

OR

Northwest Territories Housing Corporation  
DISTRICT OFFICE AT:  
-Box 2100, INUVIK - (867) 673-2800  
-Box 418, PROBIS-MEH BAY - (867) 707-5316  
-Box 311 INLET - (867) 647-0370  
-Box 1750, HAY RIVER - (409) 614-6313  
-Box 98, CAMBRIDGE BAY - (403) 803-2170

October, 1975



A P P E N D I X " D "

Classification of Labor, Rates of Wages



	7.50
	7.50
	9.00
	7.50
	7.50
	9.00
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	10.00
	7.50
	7.50
	7.50
	9.10
	4.50
	7.45
	6.10
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	7.90
	8.85
	9.48
	10.20
	8.55
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	7.90
	10.40
	7.30
	8.15
	7.80
	9.50
	10.20
	10.20
	9.48
	9.65
	9.88
	9.48
	9.90









11-L-4 P.C. Morrison Matherlin. Population Projections of the Mackenzie Delta Region. Report No. 1, Division, Research Policy and Program Planning, 1974.

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THE  
NATIONAL  
INDIAN  
MUSEUM  
WASHINGTON, D. C.

REPORT  
ON THE  
PROGRESS OF THE  
MUSEUM  
DURING THE  
YEAR 1900

BY  
J. W. FORT  
AND  
J. H. COLEMAN

Published by the  
National Indian Museum  
Washington, D. C.









NOT FOR RELEASE BEFORE 10:30 A.M.  
SEPTEMBER 21, 1976



Received  
Sept 10<sup>th</sup> 9:05 AM

STATEMENT OF EVIDENCE OF  
THE LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES  
to the  
MacKenzie Valley Pipeline Inquiry  
Yellowknife, N.W.T.

September, 1976

Presented by The Honourable David H. Searle, Q.C.  
Speaker of the Legislative Assembly.



The history of the introduction and development of government in Canada indicates an evolution from appointed councils to representative legislative bodies to responsible government. Another basis of this evolution, long accepted, is that powers once granted are not subsequently revoked or restricted, but are rather expanded in the next phase to reach the full development now established at the federal and provincial levels. The Northwest Territories has passed through all these phases, except the last, i.e., responsible government (See Appendix A). Nevertheless, it is clear that the Northwest Territories Legislative Assembly is the only body truly representative of all the people of the Northwest Territories. There is no other effective voice which can speak for all Territorial residents.

In the light of these facts, the possibility of the building of the Mackenzie Valley Pipeline is of obvious concern to us. Its very proposal has already had a most disruptive effect on the economy of our area. If a decision is reached not to proceed, it would have serious consequences. Equally, if a decision is reached to proceed, the pipeline will have a massive effect upon the economic, social, and political fabric of the Northwest Territories. Clearly the decision is of vital concern to the people we represent. It will affect various matters over which we now have legislative jurisdiction, as well as various matters over which our Legislative Assembly will have jurisdiction when the evolution of our development to provincial status is completed. At the same time we recognize that even if our territory were constituted as a province, it is Parliament, by ss. 91 and 92 of the British North America Act, which would have legislative jurisdiction with respect to the proposed



project, since it has international as well as interprovincial aspects.

Therefore, although we do not support any one applicant over another, or any one route over another, or any one method over another, we urge you to consider resolutions we have adopted concerning the proposed Mackenzie Valley Pipeline:

1. We have already passed a resolution favouring construction provided that:
  - a) there is optimum employment of northerners during planning, construction and operation;
  - b) there is just and equitable compensation of any person or persons adversely affected by the construction;
  - c) there is adequate provision for the protection of the environment with minimum disturbance to wildlife and persons living off the land (See Resolution 2-48, 23 January, 1973).
2. We have asked to be involved in the decision about whether to proceed or not. We have already expressed ourselves in favour (See Resolution 2-48, January, 1973).
3. If our desire to proceed is approved, we have asked to be involved in the decisions regarding terms and conditions upon which any pipeline will be built through the Northwest Territories (17-48, January, 1973), as well as the form of the authority to be established to carry out this project (See Resolution 3-58, January, 1976).
4. Regardless of what type of authority is established to administer the enterprise, we have asked for representation on this board,





agency, or authority (See Resolution 3-58).

5. In order for us to be able to participate effectively and equitably in this major economic development of our territory, we have asked that further steps be taken to enable our government to evolve to the full status of a provincial government as regards proprietary rights, legislative jurisdiction, and the responsibility of the executive to the Assembly (See Resolutions: 41-37, 34-37, 1-41, 10-41, 3-45, 31-45, 34-35, 2-46, 9-46, 22-46, 34-46, 5-47, 11-48, 13-48, 5-51, 6-51, 2-59).
6. In order for points 1 to 5 to be realized quickly and justly, we have urged an early and equitable settlement by the Government of Canada of the legitimate claims of the native residents of the of the Northwest Territories (See Resolution 1-48).

(Resolutions referred to are attached as Appendix B.)



THE NORTHWEST TERRITORIES COUNCIL:  
CONSTITUTIONAL STATUS AND JURISDICTION

A review of Council's historical background,  
its place in Confederation, its relation to  
the provinces and present powers.

by

Anthony Jordan



# THE NORTHWEST TERRITORIES COUNCIL: CONSTITUTIONAL STATUS AND JURISDICTION

## I. INTRODUCTION

The purpose of this paper is to outline briefly the nature of the Council of the Northwest Territories, its jurisdiction and its responsibilities, having regard particularly to matters incidental to the proposed construction of a gas pipe line to carry natural gas from or through the Northwest Territories to southern Canada.

Following a brief historical introduction the Council will be assessed in regard to its nature and status within Confederation and in regard to the extent of its legislative powers. An attempt will then be made to indicate the Council's role, and its own perception of that role, in relation to the construction and operation of a northern gas pipeline.

## II. HISTORY

Prior to 1870 the area which now comprises the N.W.T. included three separate jurisdictional divisions. These were the lands drained by rivers flowing into the Hudson's Bay, which had been granted in 1670 by a charter of King George III to the Governor and Company of Adventurers of England trading into Hudson's Bay as absolute Lords and Proprietors (1) (generally referred to as Rupert's Land); the balance of the main land area of the N.W.T., which was governed by the Hudson's Bay Co. under licenses from the Crown granted in 1821 and renewed in 1838 (referred to as the North Western Territory); the remainder of the area, primarily comprised by the Arctic Archipelago, the ownership of which was in doubt but generally claimed by Britain and, for domestic Canadian purposes





assumed to be a British possession.

This whole area, plus other Hudson's Bay Company holdings in what is now Northern Quebec and Ontario, the prairie provinces and British Columbia was inhabited exclusively by Native peoples and Company personnel, with the exception of small white settlements in the Red River area, lower mainland British Columbia and Vancouver Island.

By the mid 1850's a movement was underway to terminate the Company's hold over the vast interior of British North America, both as a trading monopoly and as a government. In 1857 the British House of Commons appointed a Select Committee to consider the future of this area and the company's relationship to it (2).

The proposal to terminate the Company's governmental powers left the difficulty of finding a suitable alternative. The movement in Canada to unite the British colonies into Confederation presented an obvious solution. British Columbia could only be effectively linked to the eastern colonies of Canada (Ontario and Quebec), New Brunswick, Nova Scotia, P.E.I. and Newfoundland, if there was a physical connection. Further, unless concrete steps were taken to exercise dominion over the interior, the eastern colonies faced the strong possibility of American expansion into the area, thus foreclosing any possible transcontinental link. Accordingly, the Quebec Resolutions of 1864 included a resolution (3) which later was included in the British North American Act (4) as section 146, which reads as follows:

"146. It shall be lawful for the Queen, by and with the Advice of Her Majesty's Most Honourable Privy Council, on Addresses from the Houses of the Parliament of Canada, and from the Houses of the respective Legislatures of the Colonies or Provinces of Newfoundland, Prince Edward Island, and British Columbia, to admit these Colonies or Provinces, or any of them, into the Union, and on Address from the Houses of the Parliament of Canada to



admit Rupert's Land and the North-western Territory, or either of them, into the Union, on such Terms and Conditions in each Case as are in the Addresses expressed and as the Queen thinks fit to approve subject to the Provisions of this Act; and the Provisions of any Order in Council in that behalf shall have effect as if they had been enacted by the Parliament of the United Kingdom of Great Britain and Ireland."

The interesting features of this section are first, that while other colonies would be admitted only if their own legislatures requested it no provision was made for obtaining the consent of the inhabitants of Rupert's Land and the North Western Territory; second, that the section speaks in terms of admitting the colonies or Rupert's Land and the North Western Territory to the union; and, third, all of the areas enumerated in the section were to be admitted on terms the Queen saw fit to approve, subject to the provisions of the B.N.A. Act. No indication was given that Rupert's Land and the North Western Territory were to have a position in Confederation any different from that of the other Colonies.

The next three years leading up to the actual admission of the area into Canada saw the development of a different perception of the North in Confederation. Whatever the factors leading to this approach, whether the realization of the non-existence of traditional European political institutions (save the Council of Assiniboia in the Red River area), the desire to enhance the power of the Dominion government or to recover the cost to Canada of the admission of the North, the pattern which evolved was substantially similar to that which had developed in the United States with regard to its mainland territories (5):

The territorial issue in the United States had arisen shortly after the War of Independence. Briefly, the result of the problems of how to administer the unsettled parts of the States was resolved when those states with large western holdings, principally Virginia and New York, ceded parts of their territory to the central government:



Further extensions of the Territory resulted from similarly international treaties made by the central government or by a province, for example, as in the case of Louisiana. The acquisition of land in this manner led to three principle elements of U.S. territorial policy, expressed in the North West Ordinance of 1787.

The first of these was a clear policy of land control:

"The Legislatures of those Districts or new States, shall never interfere with the primary disposal of the soil by the United States in Congress Assembled." (6)

The North West Ordinance also contained a commitment which was a necessary consequence of the principles upon which the Union had been formed; that as soon as a particular district attained the population set out in the Ordinance, it would become a State of the Union with a republican Constitution established by the people of the new State.

The third incident of U.S. territorial policy was that, at least initially, a territory would be administered by officials appointed by the central government. The ultimate objective remained the development of local political institutions leading to statehood as soon as possible.

These three incidents of U.S. territorial policy were continued in respect of the whole of the continental United States.

The events and legislative enactments of the period following Confederation showed Canada adopting two of these principles in relation to the N.W.T.: that is, federal ownership of the soil and an administration appointed by the central government, but no clear articulation of, or commitment to, equal status for the N.W.T.

The year after Confederation steps began to prepare the way for the admission into Canada of Rupert's Land and the N.W.T. The first was an Act of the Imperial Parliament, the Rupert's Land Act, 1868 (7), which empowered the Queen to accept a surrender from the Hudson's Bay





Company of their interests in Rupert's Land and the North Western Territory on the conditions that the terms of Union of the area with Canada be settled first, that the Order in Council admitting the area to Canada under Section 146 of the B.N.A. Act be issued within a month of the surrender and that no charge be payable by England as a result of the transaction.

England was prepared to co-operate, but it clearly did not want to assume any responsibility for the area or for extinguishing the Hudson's Bay Company claims. This may have given rise to the feeling that it was Canada that was acquiring the rights held by the Hudson's Bay Company, particularly since by the terms of the surrender Canada was required to pay 300,000 pounds to the Company. (8)

Nevertheless, it is clear from the terms of the surrender (9) and the Order in Council admitting the area to Canada (10) that the Company's governmental and proprietary rights were extinguished and that the N.W.T. became a part of Canada as a British possession with all governmental and proprietary rights (save those for lands granted to settlers and save whatever proprietary rights were enjoyed by native peoples) vested in the Imperial Crown.

Because according to the conventional thinking of the time, there would be no political institutions in existence in the N.W.T. when it became a part of Canada (11), a phenomenon which section 146 of the Act did not contemplate, provision was made in section 5 of the Rupert's Land Act, 1868, to fill this void. The method used was not the creation by Britain of a government for its colony, but in keeping with its studious disinterest in the area, a grant of power to the Parliament of Canada "to make, ordain, and establish within the land and territories so





admitted ... all such Laws, Institutions and Ordinances, and to constitute such Courts and Officers as may be necessary for the Peace, Order and good Government of Her Majesty's Subjects and others therein."

In other words, the Dominion Parliament was given the responsibility of establishing institutions for the government of the area, as Britain would have done had she retained it. This Canada undertook to do in the first joint address of the Senate and House of Commons (12) when it represented that the welfare of the British subjects of European origin inhabiting the area "would be materially enhanced by the formation therein of political institutions bearing analogy, as far as circumstances will admit, to those which exist in the several Provinces of the Dominion" and expressed "that we are willing to assume the duties and obligations of Government and legislation as regards these Territories".

Pursuant to the power given them in the Rupert's Land Act, 1868, and in anticipation of the Order in Council admitting the area to Canada, Parliament took its first step in creating government institutions for the North-West by passing the Temporary Government of Rupert's Land Act, 1869 (13).

This Act was to stay in force for only a short time, until some better arrangements were made. It designated the area the North-West Territories and permitted the Governor in Council to appoint a Lieutenant-Governor for the N.W.T. and to give the Lieutenant-Governor such powers to legislate as the Governor saw fit. The Lieutenant-Governor was also to administer the government of the N.W.T. on instructions from the Cabinet, and to assist him in the administration, though not legislation, the Governor in Council could appoint an Advisory Council of seven to fifteen members. All laws then in force in the N.W.T. and all public officers, save the Chief Executive Officer were to continue as they were until changed.



Some questions in the early history of the Dominion of Wales and Monmouthshire, which were the subject of the 1847 Act, were included in the new province of Manitoba. The 1847 Act, which was the subject of the 1847 Act, was simply continued in force (16). The Lieutenant-Governor of Manitoba was appointed Lieutenant-Governor of the R.M.T. but he was not given any legislative powers until August of 1871 and the first Advisory Council was not appointed until December of 1872 (16).

Following passage of the Manitoba Act, doubts had arisen with regard to the powers of the federal government in relation to the new province. Questions about the nature of Councils of the provinces and the powers of the provinces were raised by the 1847 Act. The 1847 Act, which was the subject of the 1847 Act, was simply continued in force (16). The passage of the Manitoba Act and the Temporary Government of Rupert's Land Act changed the complexion of the debate and the theoretical balance of power between the Dominion and the provinces (17). To resolve the problems and to clarify the meaning of the Rupert's Land Act, 1868, the Imperial Parliament passed the British North American Act, 1871 (18). This Act confirmed the ability of the Dominion to create new provinces out of the R.M.T. and to make provision for the Administration, Peace, Order and good Government of the R.M.T. By expressly declaring the Temporary Government of Rupert's Land Act and the Manitoba Act to be valid, the B.N.A. Act, 1871, made it clear that the Dominion could create forms of government suited to



provincial status and, indeed, provinces which were different from other provinces (19).

The substantial features of the form of government in the N.W.T. emerged between 1873 and 1875. Rather than examining piecemeal enactments the form can be seen in the first Northwest Territories Act, passed in 1875 (20). The Lieutenant-Governor would administer on the instructions of Ottawa. Ottawa would appoint a Council which would, with the Lieutenant-Governor, have legislative powers similar to those enjoyed by the Provinces, but restricted in that: (a) some powers were not given (for example, public works and undertakings); (b) the others were not to be exercised in a manner inconsistent with Federal enactments; and (c) ordinances could be disallowed within two years. A formula was established whereby the Council would gradually become fully elected as the population increased. Some major areas of concern were reserved to the federal government by the simple expedient of legislating on them, thus preventing the possibility of Territorial legislation in the same area: for example, the administration of justice, descent of real estate, wills, married women's property and prohibition.

One further development of this period deserves special attention. The Department of the Interior was created in 1873 (21) and the Minister of the Interior was given the control and management of the affairs of the N.W.T., Indian affairs and Indian lands. The existence of a separate federal bureaucracy to deal with these matters has continued in various forms to the present (22).

A detailed review of the evolution of the institutions of government in the N.W.T. from 1875-1905 would be helpful, but not essential to the purposes of this paper. Suffice to say that the Council did





become fully elected (in 1881), that its powers gradually increased, that Superior Courts were established for the N.W.T., that increasing control was given to the Council and its committees over financial affairs and its own proceedings and, finally, in 1897, that the Northwest Territories attained responsible government. From responsible government it was a short, logical step to the creation of Alberta and Saskatchewan in 1905, upon basically the same terms as Manitoba.

The process of evolution then began anew for the modern N.W.T. (24). Amendments to the N.W.T. Act in 1905 (25) replaced the Lieutenant-Governor with a Commissioner who, again, would administer the North on the instructions of the Minister of the Interior or the Governor in Council. The Legislative Assembly was replaced by an appointed council and its legislative powers were limited to being those listed in the Northwest Territories Act which were designated by the Governor in Council. The Supreme Court of the N.W.T. was abolished and the old system of stipendiary magistrates was reintroduced. The capital was moved to Ottawa (26) and the Deputy Commissioner of the R.C.M.P. was appointed Commissioner.

Ottawa promptly forgot the North; so much so that it didn't get around to appointing a Council until 1921 (27). Apart from minor changes to the N.W.T. Act (28) no significant development took place until 1951. During that period there had been some increase in population and commercial activity in the North, but nothing to compare with the developments on the prairies in the last two decades of the 19th century (29) to stir the federal government to action.

In 1951 (30) provision was made for three elected members in an expanded Council of eight and the Commissioner was required to summon at least two sessions of Council a year, at least one of which was to be held



in the North. After 46 years the government of the North was beginning to move North.

A major revision to the N.W.T. Act was passed in 1952 (31). By the time it came into force in 1955 it was combined with the amendments of 1954 (32). By these two sets of amendments another elected member was added; the Council could authorize the Commissioner to make agreements with the federal government (subject to Ottawa's approval); control over some public lands was given to the Commissioner; major parts of the N.W.T. Act dealing with provincial-type matters were repealed so that they could be replaced with territorial ordinances; the Territorial Court was created and, perhaps of the greatest significance, a separate fund, the N.W.T. Revenue Account, was created in the Consolidated Revenue Fund and the Commissioner in Council was given the power to appropriate it, subject to control by the Minister and a prohibition against a deficit.

The power to appropriate money for Territorial purposes was expanded in 1955 (33) and the power to borrow money, subject to federal approval was given in 1958 (34). Amendments of 1960 declared that all ordinances of general application applied to Eskimos and confirmed the power of the Council to pass laws in relation to game affecting Indians and Eskimos (35).

About this time debate began over a division of the Territories, the theory being, for those who favored it, that the Mackenzie District could progress faster on the road to political and economic development if it were freed of the burden of the less developed eastern and high Arctic (36). In 1963 the federal government, at the request of the Council, introduced two bills into the House of Commons (37) which would divide the Territories and create a resident government for the Mackenzie



Territory in Fort Smith, and the Munassiaq Territory with a more primitive form of government in the east.

As a result of the divergence of opinion which emerged from the Committee hearings into the two bills, they were allowed to die and the government responded to the request of the new Council, elected in 1964, to create an Advisory Commission on Development of Government in the N.W.T. composed of Jean Beetz, John Parker of Yellowknife and its chairman, A. W. R. Carrothers. The Carrothers Commission report (38) made a number of general and detailed recommendations for development over a ten year period, recommending as well that its work be reviewed at the end of those ten years.

While a lengthy discussion of these recommendations is not in order here, they may be briefly summarized as follows:

- a) that the Territories should not be divided or re-organized into new or existing political units at the present time;
- b) that the seat of government be moved to the North, and specifically to Yellowknife;
- c) that development of political institutions continue along the basic pattern already established, with the Council, Commissioner, and Deputy Commissioner evolving into, respectively, a Legislature, Lieutenant-Governor and Premier;
- d) that an Executive Council be created, to evolve into a Cabinet;
- e) that administrative responsibility for the North be transferred to a new Territorial civil service operating in the North, while the federal government keeps its strictly federal responsibilities and control over resource management;





- f) that political development be oriented to the traditional forms of political institutions existing in the provinces;
- g) that the Council be given the trappings of a legislature and all provincial legislative powers other than the amendment of its constitution and resource management (with some restrictions on financial powers and the administration of justice).
- h) that the federal government undertake a massive economic development program through the vehicles of a Territorial Department of Economic Development and Finance, a N.W.T. Development Board and a N.W.T. Development Corporation.

The general thrust of the recommendations of the Carrothers Commission has been accepted by the federal government (39) and many of the detailed recommendations of the Commission have been implemented.

While the Commission sat the Council was expanded to five appointed and seven elected members and for the first time the Territorial franchise was extended throughout the North so that all areas were represented by an elected member (40). The Council was given power to set the qualifications of electors and its own members and their indemnities (41). Amendments were made to the financial provisions of the N.W.T. Act to create a separate Consolidated Revenue Fund to be appropriated by Council subject to any specific purposes for which Parliament may designate funds in its grant to the Territories. Provision was also made for Territorial accounts to be laid before the Council annually (42).

Again, in 1970 the Council was expanded to four appointed and ten elected members (43), broader powers were given in relation to the administration of justice and the judicature sections in the N.W.T. Act





10.  
were repealed so that Council could, as it has done, replace them with its own ordinances. The time for disallowance of ordinances was reduced to one year in order to put the N.W.T. on the same footing as the provinces in this regard.

Finally, in 1974 (44) the Council underwent its most significant change to date. It was expanded to 15 members, all of whom are elected. The Commissioner no longer acts as chairman and the Council now elects its own Speaker. The Council sits for four years but may be dissolved by the Governor in Council after consultation with Council members.

Many non-legislative changes have been made in the governmental structure of the N.W.T. since the Carrothers report.

The most dramatic of these was the move of the Territorial seat of government to Yellowknife followed by the establishment of a Territorial civil service to assume responsibility for provincial-type services formerly provided by federal government departments. The N.W.T. civil service has grown from approximately 50 employees in 1956 with a budget of \$9,646,400. and \$4,746,383. for operations and capital expenditures respectively (45) to approximately 2,700 employees (with a further 400 positions authorized) (46) and initial operating and capital budgets for 1976-77 of \$157,666,300. and \$43,629,000., respectively (47).

The Territorial civil service is now responsible for the administration of almost all provincial-type services except for the administration of natural resources, provision of health care services, agriculture and the prosecution of criminal offences. In addition, the Territorial civil service acts as the agent for the federal government



in providing some exclusively federal services and some services which would normally be provided by a provincial government but are the responsibility of the federal government in the North. The former include provision of services to Indians and Eskimos; the latter, such things as road maintenance and construction. (48)

Substantial amounts of land have been turned over to the Territories pursuant to Section 46 of the N.W.T. Act which provides that, while it will remain vested in Her Majesty in right of Canada, it is held by the Commissioner for the use and benefit of the Territories and is subject to the control of the Commissioner in Council. This, for the most part, is land in and around the settlements.

Internal changes have been made which affect the Council more directly. While there has not been the creation of an Executive Council in the manner recommended by the Carrothers report (49) there is now an Executive Committee composed of the Commissioner, his Deputy and Assistant and two members of Council chosen by the Minister on the recommendation of Council. Each of these two members is responsible for a department of the government, presently education and social development, and present administration bills in the Council. Though there has not been a clear articulation of their roles and responsibilities to the Council and the administration, this is a clear move towards the establishment of a form of responsible cabinet government.

The result of these developments is that the commitment to establish political institutions in the North analagous to those existing in the provinces has, in large part, been met. The North has its own courts, a representative legislature with most of the powers of a provincial legislature, a civil service to administer provincial-type



services and the beginnings of responsible government. The following chapter will examine the juridical nature of this government and show that not only the appearance, but the substance of local government exists in the North.

### III. STATUS OF THE NORTHWEST TERRITORIES COUNCIL AS A LEGISLATIVE BODY

The question of the nature of the Council and government of the N.W.T. arises in many contexts and is implicit in much of the terminology used to describe the institutions themselves. The very words, "Council," "Commissioner" and "Territory" cause confusion. The word "colony", often used in connection with the N.W.T. and the Yukon, carries with it implications often not intended by the speaker or of which he is unaware and connotes a popular preconception of the nature of the N.W.T. Council.

Much of the confusion results from the attempt to compare the N.W.T. with a province without a sufficient awareness of the peculiar nature of the government of the N.W.T., resulting from its relationship with the federal government and the internal relationship between the Council and the administration.

Analogies to the Provinces or to types of federal agencies may be useful in discussing the government of the N.W.T. so long as the temptation to characterize the government of the N.W.T. as one or the other is avoided. The constitutional structure of the N.W.T. is unique (forgetting for the moment the Yukon Territory) and must be discussed in terms of its own unique features. It should not be said that because it may lack some of the features we have come to expect of a provincial government, for example, a responsible executive or a political party system, it is for that reason at the other end of some preconceived spectrum of governmental organizations.





Care must also be taken that the position of the federal government or a federal minister not be adopted as being necessarily correct in its perception of the N.W.T. government. Constitutions are not solely the creation of a bureaucracy, any more than they can be found entirely in legislative enactments, judicial pronouncements or political theories, practices and traditions. A constitution, including the constitution of the N.W.T., is a mixture of all of these, changing as each of its component elements changes to adapt to the political and economic realities of the times and to the values of the society which it seeks to serve.

This paper will concentrate on the function and status of one of the institutions of the government of the N.W.T.--the Territorial Council--and view it primarily from the legislative and judicial components of its makeup. Reference will be made to the Executive of the government of the N.W.T. and the relationship of the Council to the Executive and to the federal government as is necessary.

The Council is a true legislative body and exercises full and plenary powers within the limits of its jurisdiction. It does not act as a delegate, or branch or agency of the federal government or the Dominion Parliament.

An understanding of this status of the Council requires a brief discussion of some familiar, perhaps trite, theories which are basic to Canadian political traditions.

The first is that sovereignty lies in the person of the Monarch. Government is administered by the Queen through her Ministers and supreme legislative power is held by the Queen in the Imperial Parliament. At the same time we recognize that the Queen administers not only through her Ministers for the United Kingdom, but also through her Ministers for



Canada, Australia, Nova Scotia and so on. The Minister of Highways for Alberta is no less a minister of the Crown than the Minister of Labour for England, though their powers and the ambit of their authority may differ. Similarly, the Queen legislates not only with the advice and consent of the Imperial Parliament, but with the Parliament of Canada and the legislatures of the provinces.

The nature of legislative bodies created by Acts of the Imperial Parliament was discussed in R. v. Burah (1878) (51) in the context of whether or not the Governor General in Council of British India could delegate powers to the Lieutenant-Governor of Bengal. The High Court at Bengal had held that the Governor General in Council was, in the exercise of its legislative powers, acting under a delegation of those powers from the Imperial Parliament and, following the principle that a delegate may not sub-delegate, the Governor General in Council could not delegate any authority to a Lieutenant-Governor.

Lord Selbourne, speaking for the Judicial Committee of the Privy Council, commented as follows:

"But their Lordships are of the opinion that the doctrine of the majority of the Court is erroneous, and that it rests upon a mistaken view of the powers of the Indian Legislature and indeed the nature and principles of legislation. The Indian Legislature has powers expressly limited by the Act of the Imperial Parliament which created it, and it can, of course, do nothing beyond the limits which circumscribe these powers. But, when acting within those limits, it is not in any sense an agent or delegate of the Imperial Parliament; but has, and was intended to have, plenary powers of legislation, as large, and of the same nature as those of Parliament itself." (52)

This concept was clarified into a distinction between a delegation of legislative power, such as is enjoyed by, for example, a Minister of the Crown when he is given power to make regulations, and a grant of legislative power, as in Hodges v. The Queen (1853) (53) where the



Privy Council said that the Imperial Parliament had, in the B.N.A. Act, 1867

"conferred powers not in any sense to be exercised by delegation from or as agents of the Imperial Parliament, but authority as plenary and as ample within the limits prescribed by Section 92 as the Imperial Parliament in the plenitude of its power possessed and could bestow. Within those limits of subjects and area the local legislature is supreme, and has the same authority as the Imperial Parliament, or the Parliament of the Dominion, would have had under like circumstances ...[to delegate powers]" (54)

This case is of greater significance in that it applied the principles established in R. v. Burah to one of the provinces of Canada, thus confirming that the provincial legislatures were not in any way subordinate to the Dominion Parliament so long as they acted within the ambit of their powers.

The Privy Council commented again on these cases in Poynter v. Apollo Candle Company Ltd. (1845) saying "these two cases put an end to the doctrine which appears at one time to have had some currency, that a colonial legislature is a delegate of the Imperial Parliament". (55)

The N.W.T. Council is not, of course, a direct creation of the Imperial Parliament. As indicated earlier, the responsibility for creating political institutions in the North was given to the Dominion government by the Rupert's Land Act, 1868, the Order in Council admitting Rupert's Land and the N.W.T. and the British North America Act, 1871. The powers given to the Dominion Parliament were not simply to make laws for the North, but to create institutions (56), even to the extent of creating new provinces and establishing their constitutions. (57)

The expressions of the Canadian courts with regard to the status of the N.W.T. Council have displayed a substantial degree of confusion and difference of opinion.





The first major discussion is found in the decision of Killam, C. J., speaking for the majority of the Manitoba Court of Appeal in The Rural Municipality of Cypress et al. v. C.P.R. (58). That case dealt with the problem of whether a school district created pursuant to an ordinance of the N.W.T. could impose a tax upon certain property of the C.P.R. which by the terms of an agreement between Canada and the C.P.R., ratified by Parliament, was exempted forever from "taxation by the Dominion or by any Provinces hereafter to be established or by any municipal corporation therein". (59)

Killam, C. J., looked first to what he perceived to be the constitutional position of the N.W.T. and then interpreted the contract in light of it, saying:

"It does not seem to me that the Government of the N.W.T. could be properly described as a delegate or branch of the Dominion Government or taxation by its authority, within its then powers, as taxation by the Dominion."

"Its position appears to be approximately described by the language of Lord Selbourne, with reference to India in The Queen v. Burah." (60).

Killam, C. J. predicted and warned against the approach which was ultimately taken by two members of the Supreme Court of Canada when he said:

"The questions whether, by the contract and the ratifying Act, the authority of the Governor General to extend the legislative powers of the N.W. Council was restricted and whether the subsequent statutes and Orders-in-Council should be interpreted with the limitations accepted by the Dominion upon its powers of taxation, either by virtue of the restrictions against enactments inconsistent with Acts referring to the Territories or under the maximum - Generalis specialis non derogant - should be kept entirely separate from the question of construction of the contract." (61)

Davies, J. speaking for himself and Sedgewick, J. in the Supreme Court of Canada did in fact confuse the issues and, in dealing with the





application of R. v. Burah said:

"I am unable for myself to reach the conclusion that the principle with regard to legislation generally and specially with regard to India laid down in the Burah case have or can have any application to the special tentative and uncertain powers of legislation which were vested in the Lieutenant-Governor in Council or the Lieutenant-Governor by and with the advice and consent of the Legislative Assembly for the N.W.T. in 1881." (62)

Further in his judgement he said:

"I am of the opinion that the powers of legislation of the Northwest Territories Council were delegated powers from the Dominion ..." (63)

These comments may be regarded as dicta. They were unnecessary to the judgement of Davies, J., who had primarily taken the approach of interpreting and applying an Act of Parliament which would in any case take precedence over Territorial legislation. Two other members of the court rested their decision on the grounds, no doubt correct, that taxation by a Territorial body was repugnant to a Dominion act and therefore expressly ultra vires the Territorial Council, while the Chief Justice simply held that the Manitoba Courts had had no jurisdiction to deal with the matter at all.

The Supreme Court has not since directed its attention specifically to the nature of the Council or its legislation, but comments made by members of the Court in three other cases indicate that the Court has had no clear understanding of the Council and its status.

In Re Grey (64) the Court was concerned with the extent of the powers of the Governor in Council under the War Measures Act, 1914. Duff, J., in what must be regarded as obiter, compares these powers with those of the N.W.T. Council as follows;

"Our own Canadian constitutional history affords a striking instance of the 'delegation', so called, of legislative



authority with which the devolution effected by the War Measures Act, 1914, may usefully be contrasted. The N.W.T. were, for many years, governed by a Council exercising powers of legislation almost equal in extent to those enjoyed by the provinces.

"The statute by which this was authorized, by which the machinery of responsible government, and what in substance was parliamentary government, was set up and maintained in that part of Canadian territory, was passed by the Parliament of Canada and it was never doubted that this legislation was valid and essential and effectual for these purposes under authority conferred upon Parliament by the Imperial Act of 1871 "to make provision for the Administration, Peace, Order and good Government in any Territory not for the time being included in any Province."

"That, of course, involved a degree of devolution far beyond anything attempted by the War Measures Act, 1914. In the former case, while the legal authority remained unimpaired in Parliament to legislate regarding the subject over which jurisdiction had been granted, it was not intended that it should continue to be, and in fact it never was, exercised in the ordinary course; and the powers were conferred upon an elected body over which Parliament was not intended to have, and never attempted to exercise, any sort of direct control. It was in a word strictly a grant (within limits) of local self-government." (65)

It is interesting to contrast the views of Davies, J. in the North Cypress case and Duff, J. in this case. The former clearly drew his perception of the Territorial Council from the political and economic realities existing in the North West in 1881, while the latter is obviously considering the situation as it existed immediately prior to the creation of Alberta and Saskatchewan. These differences should not make a difference in the legal position of the Council and its legislation, but they clearly have made a difference in the perception of these two judges.



A second case, while not referring specifically to the N.W.T., was the Attorney-General for Nova Scotia v. Attorney-General for Canada (65), dealing with the ability of the Dominion to delegate its legislative powers to a provincial legislature, where Rand, J., said:

"The essential quality of legislation enacted by these bodies is that it is deemed to be law of the legislature of Canada as a self-governing political organization and not law of the Imperial Parliament. It was law within the Empire and is law within the Commonwealth; but it is not law as if enacted at Westminster, though its source of authority is derived from that Parliament."

"The distinction between the statutes of such a legislature and a delegate arises from the difference between an endowment by a paramount legislature of an original, self-responsible and exclusive jurisdiction to enact laws, subject, it may be, to restrictions and limitations, and the entrustment of the exercise of legislative action to an agency of the entrusting authority. The latter is a present continuing authority to effect provisions of law which are attributed to the delegating authority. The difference between these conceptions is one of substance, the difference lying in the scope and nature of the powers conferred and retained." (67)

Thus far Rand is simply rephrasing the comments made in Burah and Hodge. He goes on to say, however,:

"Notwithstanding the plenary nature of the jurisdiction enjoyed by them, it was conceded that neither Parliament nor Legislature can either transfer its Constitutional authority to the other or create a new legislative organ in relation to it similar to that between either of these bodies and the Imperial Parliament." (68)

These comments are easily distinguishable. The case dealt with the relationship between the Dominion and the provincial legislatures. The last point made by Rand was, as he said, conceded by counsel, and did not consider the unique position of the Territories or the Imperial Act which gave power to the Dominion to create institutions in the Territories.





The last case is R. v. Drybones (69) and a comment by Ritchie, J. in his reasons for the majority judgement. One issue in that case was whether the Indian Act could be said to give rise to an inequality before the law for Indians compared to others in regard to the offence of being intoxicated off a reserve when the comparable legislation affecting non-Indians was not federal legislation. Ritchie, J., side-steps that problem by simply saying that in that particular case, involving a conflict between the Indian Act and a Northwest Territories' ordinance, "The ordinance in question is a law of Canada within the meaning of Section 5(2) of the Bill of Rights-(see N.W.T. Act, R.S.C. 1952, c. 195, S. 17)."

Two approaches may be taken to this comment. First, that it is to be restricted as meaning only that ordinances of the N.W.T. are subject to the Bill of Rights and that it does not mean that ordinances are merely regulations made under the authority of an Act of Parliament. Second, it may be argued that Ritchie, J.'s comments are dicta as they are unnecessary to his judgement in light of his subsequent reasons, particularly his rejection of the reasoning of the British Columbia Court of Appeal in R. v. Gonzales (71), a case which dealt with an almost identical fact situation arising in a province. In any event, the question does not seem to have been considered by the Court with any degree of thoroughness (72).

If the question of whether the N.W.T. Council is a mere delegate of the federal government or an autonomous legislature has never been directly dealt with by the Supreme Court, it has been discussed by the courts of the Yukon and the Northwest Territories. In R. v. Lynn Holdings Ltd. (73) a Yukon magistrate dismissed the argument that the



Yukon Council could not delegate legislative authority to a municipality.

Relying on the Apollo Candle case he said that:

"It would appear the primary purpose of the Yukon Act is to establish in the Yukon Territory a form of limited self-government, similar to the power and authority of the provinces."

And further:

"In granting powers similar to those in the provinces, it is apparent Parliament intended the Yukon legislative body to have legislative power in certain limited designated fields." (74)

This reasoning was adopted by Morrow, J. A. speaking for the Yukon Territory Court of Appeal in R. v. Chamberlist (75). Morrow, J. A. discusses in that case the type of grant of powers to the Yukon Council in the terms used by Rand, J. in Attorney-General for Nova Scotia v. the Attorney-General for Canada. He does not make a clear choice, saying neither that the Yukon Act grants powers which the Dominion could not grant to a provincial legislature, nor that it is simply a delegation to a subordinate body. He does find that the Yukon Council is a body which may delegate legislative powers - in this case to a municipality. He does not explicitly adopt the principle of R. v. Burah as applying to the Yukon Council, for to do so would require that he reject Rand's comments as inapplicable, but he appears to favour that position.

Some confusion can be seen arising in judgements which involve a consideration of the status and the function of the Commissioner. Particularly, in Royal Bank of Canada v. Scott and the Commissioner (76) Morrow, J. indicates that, "substituting a 'Commissioner' for the Lieutenant-Governor' seemed to indicate a change from 'colonial status' to one more akin to a mere department of the federal government. And this is the way it has continued to the present date."



That case simply decided that Territorial funds were funds of Her Majesty and Territorial employees were employees of Her Majesty and, accordingly, wages owing to them could not be garnisheed in the absence of legislation permitting it. That result would follow regardless of the constitutional status of the Commissioner or the Council and Morrow's remarks are clearly dicta. (77)

That the Commissioner is responsible to the Minister of Indian and Northern Affairs and to the federal cabinet does not affect the ability of the Council to legislate. The powers of a legislative body as such are not diminished by the fact that the executive is not responsible to it. (78) The Commissioner is, of course, subject to laws passed by the Council. (79)

That the N.W.T. government is not a mere department of the federal government is clear from the judgement of Thurlow, J. A. of the Federal Court of Appeal in Re City of Yellowknife and Public Service Alliance of Canada (80), where, after referring to the power of Council to legislate with regard to, among other things, municipal institutions in the Territories, property and civil rights and matters of a merely local or private nature, he rejects the argument that the city of Yellowknife is a "federal work, undertaking or business" within the meaning of the Canada Labour Code (81). He does not go so far as to say that Parliament could not legislate with regard to the labour relations of Territorial municipalities, only that they are beyond the normal meaning of a federal work, undertaking or business.

Perhaps the best approach to take in discussing the status of the Council is simply to look at the political realities of its position, as was done by the Privy Council, in R. v. Burah where, speaking of the





position of Legislative Bodies delegating powers, it says:

"The British Statute book abounds with examples of [delegation]; and it cannot be supposed that the imperial Parliament did not, when constituting the Indian Legislature, contemplate this kind of conditional legislation as within the scope of the legislative powers which it from time to time conferred. It certainly used no words to exclude it. Many important instances of such legislation in India are mentioned in the opinions of the Chief Justice of Bengal and of the other two learned Judges who agreed with him in this case." (82)

This is an invitation to look more closely at the circumstances and the actions of the N.W.T. Council. A few of its characteristics, derived from the Act creating it and its own practices, suffice to demonstrate that it is a true legislative body, acting on its own, with its own authority and its own responsibilities separate from the federal government. For example:

- a. The grant of powers to it in Section 13 of the N.W.T. Act (83) is remarkably similar to the enumeration of the powers of a province in Section 92 of the B.N.A. Act (84);
- b. The Council is fully elected and chooses its own speaker;
- c. Sessions of the Council are called by the Chief Executive Officer of the Territories (as they are in the provinces by the Lieutenant-Governor);
- d. The members of Council hold office for a maximum term of four years, but the Council may be dissolved at any time and an election called;
- e. The Council establishes the qualifications for its electors and members and fixes members' indemnities;
- f. Ordinances may be disallowed by the Governor in Council within one year after passage, as is the case with acts of provincial legislatures. They are not treated simply as federal regulations (85);
- g. The form of enactment, that is, "The Commissioner of the N.W.T., by and with the advice and consent of the Council of the said Territories, enacts as follows:" is similar to that used by Parliament and provincial legislatures;
- h. Revenue of the Territories may be spent by the executive if appropriated to the public service by the Council, but Council may not appropriate money or impose a tax without the recommendation of the Commissioner (86);





- i. Proceedings of the Council are similar in form to those of other legislative bodies, following general parliamentary rules and acting, at times, through special or standing committees and the committee of the whole;
- j. The Council has the power, which it has exercised, of creating other institutions of government, most notably, the Supreme Court of the N.W.T., the Court of Appeal and the Magistrates' Court;
- k. The Council delegates administrative and legislative power to the Commissioner and a number of special agents or bodies established by its legislation to perform specific functions, such as the Registrar of Securities, the Liquor Licensing Board, the Workmen's Compensation Board, the Law Society, the Territorial Housing Corporation and many more.

While no clear statement of the nature of the N.W.T. Council emerges from the cases, these few examples of what Council may and does do and how it does it clearly demonstrate that it exists as the legislative branch of a government which is in no way a part of the government of Canada a government which has its own areas of responsibility and the powers necessary to meet those responsibilities.

It remains, then, to examine in greater detail the precise powers and responsibilities of the Territorial Council and the limitations on those powers.

#### IV. THE LEGISLATIVE POWERS OF THE N.W.T. COUNCIL

Any discussion of the powers of the N.W.T. Council to legislate must begin with the N.W.T. Act. For convenience two of the most important sections are reproduced in their entirety.

"Section 13. The Commissioner in Council may, subject to this Act and any other Act of the Parliament of Canada, make ordinances for the government of the Territories in relation to the following classes of subjects, namely:

- (a) direct taxation within the Territories in order to raise a revenue for territorial, municipal or local purposes;
- (b) the establishment and tenure of territorial offices and the appointment and payment of territorial officers;



- 25.
- (c) municipal institutions in the Territories, including local administrative districts, school districts, local improvement districts and irrigation districts;
  - (d) controverted elections;
  - (e) the licensing of any business, trade, calling, industry, employment or occupation in order to raise a revenue for territorial, municipal or local purposes;
  - (f) the incorporation of companies with territorial objects, including tramways and street railway companies but excluding railway, steamship, air transport, canal, telegraph, telephone or irrigation companies;
  - (g) the solemnization of marriage in the Territories;
  - (h) property and civil rights in the Territories;
  - (i) the administration of justice in the Territories, including the constitution, maintenance and organization of territorial courts, both of civil and of criminal jurisdiction, and including procedure in civil matters in those courts;
  - (j) the establishment, maintenance, and management of prisons, gaols or lock-ups designated as such by the Commissioner in Council under paragraph 44 (1) (b), the duties and conduct of persons employed therein or otherwise charged with custody of prisoners, and all matters pertaining to the maintenance, discipline or conduct of prisoners including their employment outside as well as within any such prison, gaol, or lock-up;
  - (o) the issuing of licenses or permits to scientists or explorers to enter the Territories or any part thereof and the prescription of the conditions under which such licenses or permits may be issued and used;
  - (p) the levying of a tax upon furs or any portions of fur bearing animals to be shipped or taken from the Territories to any place outside the Territories;
  - (q) the preservation of game in the Territories;



- (r) education in the Territories, subject to the conditions that any ordinance respecting education shall always provide that a majority of the ratepayers of any district or portion of the Territories, or of any less portion or subdivision thereof, by whatever name it is known may establish such schools therein as they think fit, and make the necessary assessment and collection of rates therefore; and also the minority of the ratepayers therein, whether Protestant or Roman Catholic, may establish separate schools therein, and in such case the ratepayers establishing such Protestant or Roman Catholic separate school shall be liable only to assessments of such rates as they impose upon themselves in respect thereof;
- (s) the closing up, varying, opening, establishing, building, management or control of any roads, streets, lanes or trails on public lands;
- (t) intoxicants;
- (u) the establishment, maintenance and management of hospitals in and for the Territories;
- (v) agriculture;
- (w) the expenditure of money for territorial purposes;
- (x) generally, all matters of a merely local or private nature in the Territories;
- (y) the imposition of fines, penalties, imprisonment or other punishments in respect of the violation of the provisions of any ordinance; and
- (z) such other matters as are from time to time designated by the Governor-in-Council.

"14 (1). Nothing in Section 13 shall be construed to give the Commissioner in Council greater powers with respect to any class of subjects described therein as are given to the legislatures of the provinces of Canada under Sections 92 and 95 of the B.N.A. Act, 1867, with respect to similar subjects therein described."

"(2). Notwithstanding subsection (1) but subject to subsection (3), the Commissioner in Council may make ordinances for the government of the Territories in relation to the preservation of game in the Territories that are applicable to and in respect of Indians and Eskimos, and ordinances made by the Commissioner in Council





in relation to the preservation of game in the Territories, unless the contrary intention appears therein, are applicable to and in respect of Indians and Eskimos.

"(3). Nothing in subsection (2) shall be construed as authorising the Commissioner in Council to make ordinances restricting or prohibiting Indians or Eskimos from hunting for food, on unoccupied Crown land, game other than game declared by the Governor in Council to be game in danger of becoming extinct."

It is impossible to discuss the meaning of each of the items enumerated in section 13 within the scope of this paper. Such a discussion would involve a comprehensive review of Canadian constitutional law.

Inherent within the nature of the Canadian constitution is the principle that the legislatures of the country are supreme and, since the passage of the Statute of Westminster (87), all legislative powers may be exercised by either the Dominion or provincial legislatures or the Dominion and the provinces working in cooperation with each other, except for some types of amendments to the constitution itself (88). Unlike the Parliament of Great Britain, however, no single legislature is supreme. The power to legislate is divided by classes of subject matter between the Dominion and the provinces and neither may legislate within an area reserved to the other. There may be areas in which both may legislate - for example, agriculture and immigration (89), or particular subjects which may fall within one of the broad subject areas assigned both to the provinces and the Dominion. In either of these cases, if there is a conflict between the Dominion and the provincial legislation, then the Dominion legislation will prevail (90).

With that fairly simplistic view in mind the easiest approach to take to a discussion of the legislative powers of the N.W.T. Council is to assume initially that whatever a province can do the Territories



can do, (91) and then look for restrictions on the legislative powers of the Council that do not exist for a province.

Whenever one of the legislative powers enumerated in section 13 of the N.W.T. Act corresponds with one of the classes of subjects listed as being reserved to the provinces in sections 92, 93 or 95 of the B.N.A. Act the scope of the power given by it to the Territorial Council is the same as that enjoyed by a provincial legislature, unless it is restricted by some other part of the N.W.T. Act or another federal Act. (92)

This approach may create a negative impression of the Council's powers as it tends to focus attention upon their limits, rather than their extent. A caution therefore, is in order. Regardless of the restrictions imposed upon the Council which are not faced by a provincial legislature the classes of subjects over which the Council may legislate are still almost as extensive as those of the provinces. A casual comparison of a recent table of public statutes for any of the provinces with that found in the 1975 Ordinances of the N.W.T. shows that the Council deals with most of the same concerns and problems faced by a province. Some issues, of course, have not arisen in the North to the same extent as in some provinces, such as town planning, police forces, securities exchanges and so on, but neither have they arisen in many of the provinces. Each of those examples could be dealt with the Territorial Council.

Restrictions may be found within the N.W.T. Act itself or, by reference, in other Acts of Parliament. It goes without saying that if Council and Parliament both legislate within their own powers on the same subject matter and the two pieces of legislation are in conflict, the Act of Parliament will prevail. In the case of the N.W.T. this rule



applies not only when the federal government legislates in what are normally considered to be areas of federal responsibility, but also when Parliament deals with a provincial-type matter in relation to the N.W.T., since the powers of the Council are, by section 13, subject to any Act of Parliament.

In theory, this could give rise to the greatest restrictions upon the Council's power, and in the past it has. Formerly, the federal Parliament has dealt with such diverse matters as wills, devolution of estates, married women's property, the establishment and maintenance of courts, use and possession of alcohol and other topics.

In practice, very few matters of substance are withheld from the Council in this manner at the present time, and many of those which are, are in the area of natural resource control, a subject which will be dealt with at greater length later. Many of the subjects dealt with by the federal government for the N.W.T. come properly within the scope of provincial-type powers which have not been given to the Council and, therefore, which must be dealt with by Parliament. These also will be dealt with later.

There are, then, these three main types of limits on the legislative powers of the Council:

- a) federal legislation which applies to the N.W.T. in respect of a provincial-type power, both within the N.W.T. Act and other Acts of Parliament;
- b) specific limits imposed on the Council's jurisdiction by the N.W.T. Act;
- c) limits imposed upon the Council's powers by the absence from s.13 of the N.W.T. Act of a class of subject matter in respect of which



the Council may legislate, and corresponding federal Acts to fill the resulting legislative void.

These "limitations", so called, are expressed here in the negative sense but they are no more true limitations than the fact that the grant of legislative powers to the Parliament of Canada is a limitation on the legislative powers of a province. The scope of provincial powers is, in general, well known and therefore provides a convenient reference point for a discussion of the scope of Territorial powers. The N.W.T. Act and other Dominion Acts define the scope of the Council's legislative powers, and it is only with reference to provincial powers that they may be said to impose limitations on Territorial powers. The danger of describing the Council's powers in this way is similar to that of describing a cat by comparing it to a dog. Saying that a cat cannot bark tells us nothing of a cat's claws. The warning previously given is therefore repeated: the Council exists as a legislative body with a wide range of plenary powers. What follows is a discussion of the scope of those powers.

The N.W.T. Act at present deals with the following matters which would normally come within the scope of the powers given to the Council in section 13:

- a) section 17 provides that, unless otherwise specified in an ordinance, offences against the ordinances may be dealt with in the same manner as summary offences in the Criminal Code. This is a standard provision which might normally be found in an Interpretation Ordinance;
- b) section 47 of the N.W.T. Act deals generally with the control, management and protection of reindeer and gives certain powers in that regard to the Governor in Council;





- c) section 48 deals with importation of intoxicants into the N.W.T.;
- d) section 49 deals with arrangements for the accommodation of mental incompetents and their apprehension in the event of an escape;
- e) section 51 deals with arrangements with the provinces for the care of neglected children;
- f) section 52 deals with the protection, care and preservation of archeological sites.

These provisions do not mean that the Council is precluded generally from broad areas of concern such as mentally incompetent people and neglected children. So long as they act within their powers they are free to legislate in those areas as long as ordinances do not conflict with these provisions of the N.W.T. Act (93).

Most of the similar provisions of the N.W.T. Act which have existed in the past have been repealed, thus making way for replacements by Territorial ordinances. Most recently, part 2 of the Act dealing with judicature has been repealed and replaced by an ordinance (94). This indirect method of adding to the powers of Council also explains a number of the items in section 13 which would normally be included in such general powers as property and civil rights - for example, the items listed as (o), (p), (q) and (t).

Some areas of provincial-type responsibility are dealt with in other Acts of Parliament. In practice, Parliament has rarely dealt with matters directly affecting local responsibilities in the N.W.T. except in the N.W.T. Act itself. Five pieces of legislation do, however, deal with matters of concern to the North and restrict the powers of Council. The first of these is the Criminal Code (95), which, by section 2, defines "Attorney General" as meaning "with respect to the N.W.T. ... the Attorney General of Canada".



The Attorney General is one of the Ministers of the Crown and is responsible for, among other duties, the prosecution of criminal offences. The effect of this definition in the Code is to remove from the Council any voice in or control or management of that part of the civil service which undertakes criminal prosecutions. As a Minister of the Crown the Attorney General is, of course, responsible to Parliament for the conduct of his office. The Territorial executive is not responsible to the Council and the transfer of this function to the N.W.T. would remove the officer responsible for prosecutions by at least one step from direct accountability to elected representatives.

This does not, however, mean that none of the functions of an Attorney General come within the purview of the Council. The provision of services to the Courts, legal aid, the legal profession, preparation of legislation and enforcement of Territorial ordinances are all within the purview of the Council. In addition, the other traditional functions of an Attorney General of advising the government on legal matters, representing the government in the civil courts and advising the Council on legal matters are all performed by the Territorial government's legal officers and the Council's legal advisor.

The Canada Labour Code (96) appears to deal completely with labour relations matters in the N.W.T. - that is, certification of bargaining agents, unfair labour practices and union-management relations generally. Some areas of the labour code specifically do not apply to the N.W.T. (97) and these areas are dealt with by the Labour Standards Ordinance (98) and the Fair Practices Ordinances (99). The Federal Department of Labour and the Canada Labour Relations Board have, in the past, assumed that the labour relations sections of the Code apply universally in the Territories



(100) and have acted accordingly. The Federal Court of Appeal has rejected this position (101) saying that at least the municipality of Yellowknife does not come within the scope of the Act. There are clearly other employers in the N.W.T. who do not come within the meaning of a "federal work, undertaking or business", and, accordingly there is some scope for the N.W.T. Council to legislate with regard to labour relations if it chooses to do so.

The Land Titles Act (102) of Canada applies to the N.W.T. and the Registrar of Titles is an appointee of the federal government, even though he is, in fact, an employee of the Territorial public service.

The N.W.T. has its own Public Service Ordinance (103) but its employees are covered by the federal Public Service Superannuation Act (104). That the federal government has retained control of employee pensions is a result of the transfer of a large number of employees from federal government departments to the public service of the N.W.T. and the necessity for guarantees of their vested and anticipated pension rights.

The last significant area of provincial-type responsibility retained by Ottawa through the mechanism of separate legislation is the establishment and maintenance of the Northern Canada Power Commission (105) to provide electricity in the Yukon and the N.W.T. Such public utilities are normally the responsibility of a provincial legislature, though some aspects of their operations in connection with inter-provincial power grids may come within the ambit of federal regulation (106).

The second class of restrictions upon Council's legislative powers are those which are specifically set out in the N.W.T. Act. The form is normally that a specific class of legislative subjects is designated as being within the Council's powers, subject to some specific limitations.





The guarantees entrenched in the constitution in respect of the rights of the Roman Catholic or Protestant minorities to establish their own schools vary to some extent from province to province, depending on whether they joined Confederation as one of the original provinces or were admitted to Canada or created by later orders in council or Acts of Parliament. Similar guarantees of religious education are set out in section 13 (1) of the Northwest Territories Act. While this constitutes a restriction on the powers of the Council to legislate in regard to education, a similar restriction is imposed upon each of the provincial legislatures.

Section 15 of the N.W.T. Act contains a limitation upon the power of the Territorial government to enter into agreements with the federal government, requiring that any such agreement be approved by the Governor in Council. The section appears to be unnecessary but it underlines the position taken by the federal government that it generally speaks for the Territories in discussions with other governments. This is most notably manifest in the absence of representatives of the N.W.T. government, at conferences of First Ministers, except as interested observers. Representatives of the N.W.T. government do attend other federal-provincial conferences as participants, for example, meetings of the ministers of health, the Conference of Uniformity Commissioners, conferences of securities registrars or motor vehicles registrars and the like.

The federal government would likely question the right of the Council to authorize agreements with other provinces on matters of provincial concern, but the jurisdiction of the Council to do so does not appear to be restricted except by those parts of the N.W.T. Act



authorizing the Commissioner to enter into such an agreement for specific purposes. The Council has passed legislation providing for some reciprocal arrangements with the provinces (107).

The disallowance power in section 16 (2) is the same as for the provinces. There is no section of the N.W.T. Act similar to section 55 of the B.N.A. Act giving the Commissioner any discretion with regard to assent to ordinances or providing for a reservation of assent. The disallowance power may probably still be exercised but it is questionable whether the Commissioner could refuse to assent to an ordinance or whether the Minister could instruct him to do so (108). Section 4 of the N.W.T. Act requires that the Commissioner follow the Minister's instructions in his administrative capacity, but makes no reference to the legislative functions which he exercises in conjunction with the Council.

A substantial limitation of the powers of Council to appropriate money is imposed by section 22, which provides that any appropriation by Council is subject to any specific purpose designated by Parliament in respect of funds which Parliament appropriates for the public service of the N.W.T. In practice this does not create any more serious limitation than the requirement that all money bills be recommended by the Commissioner, so long as the Commissioner is responsible to the federal government rather than the Council. The Council's power is limited to a veto, as is that of a provincial legislature or Parliament. Other legislatures do, of course, exercise a greater measure of political control over the executive; the principle incident of responsible government which the Northwest Territories lacks.

The Council's borrowing powers are limited by requiring the approval of the Governor in Council, though the requirement for such an



approval in regard to lending and investing has now been received (102).

The last category of limitations on the powers of the Council which are not imposed upon the provinces are those which arise as a result of omissions from the N.W.T. Act - that is, powers given to the provinces but not given to the Territories, and the federal legislation enacted to deal with those classes of subjects.

The Council may not amend the constitution of the Territories. Accordingly a number of internal matters are dealt with in the N.W.T. Act, such as the size of the Council, its duration, quorum, the position of the Auditor General and similar matters. The Council's powers have been expanded in connection with similar matters, such as electoral boundaries and member's indemnities (110), but the Council has only the powers it has been given to establish its own privileges and indemnities (111).

The Council is given the power to establish hospitals, but the wording of section 13 (u) is substantially different from section 92 (7) of the B.N.A. Act giving the provinces legislative power over:

"The establishment, maintenance and management of hospitals, asylums, charities, and eleemosynary institutions in and for the Province, other than marine hospitals."

Whether the Council is, therefore, precluded from any specific types of legislation is questionable, but in any case the effect is not significant.

The other omission from section 13 of the N.W.T. Act are, for the most part, related to resource use and management. The Council is not given the power over "management and sale of the public lands belonging to the Province and the timber and wood thereon" given to the provinces by section 92 (5) of the B.N.A. Act.



Restrictions are placed on the types of companies which may be incorporated by the Council, so that railways, steamship, air transport canal, telegraph, telephone or irrigation companies are excluded. These are all resource or transport and communication type companies. Such companies are, however, still subject to the general laws in force in the N.W.T. (112). There is no power given to the Council to legislate with regard to local works and undertakings. The scope of this power is uncertain as many public works are in fact, within the purview of the Council - for example, the new Territorial museum, hospitals, municipal buildings and so on. Many public works and undertakings may be dealt with within the scope of other legislative powers.

Generally the management of natural resources and public lands is given to the Minister of Indian and Northern Affairs by the Department of Indian Affairs and Northern Development Act (113), thus putting the N.W.T. in the same position with regard to resources as the prairie provinces prior to the Natural Resources Agreements Act of 1950 (114). Given that starting point, there are a number of specific resource and land use powers given to the Council. The preservation of game (section 13 (q)) is the most significant of these as game has been and still is of major importance to the economy and lifestyle of the Territories in general, and to smaller communities in particular.

By section 46 of the N.W.T. Act provision is made for the transfer of lands to the Commissioner to be managed for the use and benefit of the Territories under the control of the Council. Lands around settlements have been transferred and other lands (purchased by the Territories, acquired by taxsale, or roads) are automatically controlled by Council. Specific power is given with regard to roads by section 13 (r).





A brief comment is in order on the nature of the Council's jurisdiction with regard to Indians and Eskimos. By section 91 (21) of the B.N.A. Act, 1867 "Indians, and lands reserved for the Indians" are a peculiarly federal responsibility. Since Indians, including Inuit (115), are a majority in the N.W.T. the extent of the applicability of Territorial ordinances in relation to them is particularly important.

Section 88 of the Indian Act (116) provides that all laws of general application in force in a province apply to Indians subject to any treaties or subject to the extent that they are inconsistent with the Indian Act or any regulations made pursuant to it (117). By the Interpretation Act, "province" includes the N.W.T. (118). Since the Indian Act does not apply to Inuit a similar provision is made in section 18 (2) of the N.W.T. Act:

"All laws of general application in force in the Territories are, except where otherwise provided, applicable to and in respect of Eskimos in the Territories". (119)

Game legislation in the N.W.T. could and would conflict with treaty rights under treaties 8 and 11 (to the extent that these treaties are valid, (12)). As a result of questions about the ability of the Council to legislate with regard to game so as to affect Indians and Eskimos (121) the N.W.T. Act was amended in 1960 (122) to include what are now subsections (2) and (3) of section 14 which read as follows:

"14.(2) Notwithstanding subsection (1) but subject to subsection (3), the Commissioner in Council may make ordinances for the Government of the Territories in relation to the preservation of game in the Territories that are applicable to and in respect of Indians and Eskimos, and ordinances made by the Commissioner in Council in relation to the preservation of game in the Territories, unless the contrary intention appears therein, are applicable to and in respect of Indians and Eskimos"



"(3) Nothing in subsection (2) shall be construed as authorizing the Commissioner in Council to make ordinances restricting or prohibiting Indians or Eskimos from hunting for food, on unoccupied Crown lands, game other than game declared by the Governor in Council to be game in danger of becoming extinct."

The effect of these provisions (123) is basically the same as that of the provisions of the Natural Resources Agreements on the prairies, extending local game laws to Indians in spite of the treaties, but preserving the Indians from interference with their right to hunt for food at all seasons on unoccupied Crown lands (124), subject, in the N.W.T., to the regulation of hunting endangered species.

There is no provision allowing the Council, or any province for that matter, to legislate with regard to Indian lands. Territorial laws would apply on Indian reserves so long as they did not deal with the use of the reserve itself or matters necessarily incidental to the reserve (125).

The Council cannot take action or make laws to extinguish any aboriginal rights of Indians or Inuit or affect any treaty right (except in relation to game). Any land claims settlement must be made with the federal government, as is the case in the provinces (126).

#### V. THE COUNCIL AND A NORTHERN GAS PIPELINE

The Council has legitimate interests and concerns beyond the strict legal limits of its legislative powers. As the only body which is truly representative of all of the people of the N.W.T. it has often in the past expressed its concern over the operations of the federal government in the North and matters which are legally only within the legislative competence of Parliament.

It is wrong to say that the Council is or should be confined narrowly within the limits of its powers as defined in the N.W.T. Act.



If, for example, the Department of Transport closes an airstrip in a remote settlement the whole life of the community is affected and the Council quite properly expresses its concern.

The Council clearly is and should be involved in planning the political evolution of the Territories, even though only Parliament may amend the N.W.T. Act. A number of changes have been made to the Act at the urging of Council and the Carrothers Commission was established at its request.

When the federal government creates a national park in the N.W.T. the future of a large area will be permanently affected and the people of the North have an immediate interest. Parliament has in this specific area of land use seen the need to consult with the Council before the federal government takes a major step having long term implications for the North (127).

The Council has a general legitimate interest in the management and alienation of the natural resources of the North. This is the wealth of the North and the future of the people of the Territories depends on how that wealth is managed, developed and exploited now, whether it be through alienation to the native people of the North as a part of land claim settlement, or alienation to companies engaged in resource extraction and export.

Council is concerned not only because the people of the North have no other effective voice which can speak for all Territorial residents, and not only because it anticipates that at some point in the future the Council itself will have a direct responsibility for natural resource management which could be rendered illusory by full scale alienation now. The Council also has more immediate concerns. If a northern gas pipeline





is constructed it will have an overwhelming effect upon the economic, social and political fabric of the N.W.T. It will, no doubt, be of benefit to the people of the N.W.T. in some respects, but the blessings will be mixed.

Communities will expand, local governments will change, the tax base will be altered, social problems will inevitably result or be accentuated. These problems will be created by the construction of a pipeline which the Council is powerless to stop. Yet most of these problems come precisely within the scope of the Council's responsibilities and powers.

The Council has, on numerous occasions, given its opinion on matters such as native land claims, pipeline development and political development. It now finds itself, however, faced with three imminent threats to its future development as a legislature and, indeed, its very existence as an effective representative body.

The first of these is the possibility of a type of land claims settlement for native peoples which will seek to guarantee future native economic and political participation in the North through the creation of a form of parallel quasi-governmental structure which will assume, for a part of the population only, the responsibilities and powers which the Council now seeks to obtain on behalf of all of the residents of the N.W.T. The result could be a fragmentation leading to a perpetuation of weak governmental institutions in the North and continued domination by the federal government.

The second threat is the long term alienation of what may be the North's richest natural resource, hydrocarbon fuels. Such an alienation is a natural consequence of the construction of pipelines to carry those resources to southern markets. Under the present state of affairs these resources may be sold by the federal government with no benefit to the North.



and no say by the people of the North in the timing or price of the sale, the quantities sold or the methods of extraction and export. Once that source of revenue begins to flow into federal coffers it is unlikely that it could ever be channeled into those of the Territories and the continued control of natural resources by the federal government will thus be guaranteed for as long as the oil and gas continue to flow.

The third threat is the construction of a pipeline itself. The Council is on record as being in favour of such a pipeline, but at the same time has recognized that such a massive project within the jurisdiction of the federal government could, by its very size lead to a concomitant increase in the federal presence in the North and a parallel diminution of the place of the Government of the N.W.T. in the day to day affairs of the Territories. The potential scope of the jurisdiction and activities of any federal agency established to regulate the construction and operation of such a pipeline, particularly in the relatively populous Mackenzie Valley, could be a mechanism for continued federal control over matters which are now Territorial responsibilities.

These three major problems now facing the North are inextricably linked to each other and to the future of the N.W.T. Council. How these problems are approached and resolved will determine the political and governmental make-up in the Territories for the foreseeable future and will certainly determine when, if ever, the people of the North govern themselves in the same manner as other Canadians.



## FOOTNOTES

1. Olson, E. H. (ed.), *The Canadian North-West: Its Early Development and Pioneering Records* (Canadian Archives, Ottawa, 1914), p. 135.
2. *Debates of the House of Commons* (U.K.), Feb. 5, 1857.
3. Pope, Joseph (ed.), *Confederation Documents* (Carleton Co. Ltd., Toronto, 1895), p. 40, resolution no. 10.
4. 30-31 Vict., c. 3 (U.K.), R.S.C. 1970, App. II, p. 191.
5. Bloom, John Porter (ed.), *The American Territorial System* (Ohio U. Press, Athens, Ohio, 1973).
6. *ibid.*, flyleaf.
7. 31-32 Vict., c. 105 (U.K.); R.S.C. 1970, App. II, p. 239.
8. For comments on the theory that Canada purchased the N.W.T. see: Thompson, A. R.; *Ownership of Natural Resources in the Northwest Territories* (1967), 4 *Alta. Law Rev.* 304; Martin, Chester; *The Natural Resources Question* (King's Printer, Winnipeg, 1920).
9. The surrender was dated Nov. 19, 1869 and accepted by the Queen on June 22, 1870. It may be found attached as Schedule "C" to the Order in Council of June 23, 1870 admitting Rupert's Land and the North-Western Territory to Canada; R.S.C. 1970, App. II, p. 257.
10. *ibid.*
11. The conventional thinking of the day did not consider that there could be or were native political institutions or systems of government in the N.W.T. That these are now being recognized to some extent by historians, anthropologists and, foremost, the native people themselves does not affect the premises upon which this paper is based as there has not to date been any formal recognition of these systems and institutions as forming a part of the Canadian constitutional fabric.
12. Attached as Sched. "A" to the Order in Council, *op.cit.*, fn. 9.
13. 32-33 Vict., c. 3 (Canada); R.S.C. 1970, App. II, p. 243.
14. 33 Vict., c. 3 (Canada); R.S.C. 1970, App. II, p. 247.
15. *ibid.*, p. 36, to the end of the first session of Parliament after Jan. 1, 1871. The Act was re-enacted in 1871, 34 Vict., c. 16.



16. Thomas, L. H., *The Struggle for Responsible Government in the Northwest Territories, 1870-1897* (U. of T. Press, Toronto, 1956).
17. McDonald, Patrick P., *The Juridical Nature of Canadian Federalism: The Status of a Province* (U. of A., Edmonton, 1975) pp. 32-43.
18. 34-35 Vict., c. 26 (P.R.); R.S.C. 1970, App. 11, p. 289.
19. Manitoba did not enjoy the same position as the original provinces as it did not receive control over its own ungranted Crown lands. *Manitoba Act*, op. cit., f.n. 14, s. 30.
20. 53 Vict., c. 49 (1915, Can.).
21. 36 Vict., c. 4 (Can.).
22. *The Department of Indian Affairs & Northern Development Act*, R.S.C. 1970, C.1-7.
23. See generally for this period, Lingaard, C. C., *Territorial Development in Canada* (U. of T. Press, 1946).  
Thomas, L. H., op.cit., f.n. 16.  
Oliver, E. H., op.cit. f.n. 1.
24. Boundary changes in 1912 reduced the 1905 area to its present size by additions to Ontario, Quebec, and Manitoba. The relevant statutes are, respectively, *Stats. Can.* 1912, c. 40; *Stats. Can.* 1912, c. 42; *Stats. Can.* 1912, c. 32.
25. 4-5 Edw. VII, c. 27.
26. By a proclamation of July 24, 1905, effective Sept. 1, 1905.
27. For this period see Zaslow, Morris, *A Prelude to Self-Government: the Northwest Territories, 1905-1939* in, Underhill, Frank (ed.), *The Canadian Northwest* (Royal Society of Canada, Toronto, 1959).
28. (1907) 6-7 Edw. VII, c. 32; (1908) 7-8 Edw. VII, c. 49;  
(1923) 15-16 Geo. V, c. 21; (1925) 15-16 Geo. V, c. 48;  
(1927) 17 Geo. V, c. 64; (1940) 4 Geo. VI, c. 36;  
(1948) 11-12 Geo. VI, c.20.
29. Rae, J. K., *The Political-Economy of the Canadian North* (U. of T. Press, 1969), ch. 2.
30. *Stats. Can.* 1951, c. 21.
31. *Stats. Can.* 1952, c. 46; R.S.C. 1952, c. 331.
32. *Stats. Can.* 1953-54, c. 8.
33. 3-4 Eliz. II, c. 21 (1955).





11. Stats. Can. 1947-48, c. 30.
12. Stats. Can. 1960, c. 20.
13. The Northwest Territories Today: A Reference Paper for the Advisory Commission on the Development of Government in the N.W.T. (1965), p. 82.
14. Bills C-83 and C-84.
15. Report of the Advisory Commission on the Development of Government in the N.W.T. (Ottawa, 1966).
16. Chretien, Jean, Statement on Development of Government in the N.W.T., 40th Sess., Council of the N.W.T., Yellowknife, Nov. 10, 1969.
17. Stats. Can. 1966-67, c. 22; Electoral Districts Ord., O.N.W.T., 1965 (2nd Sess.), c. 4.
18. Stats. Can. 1966-67, c. 22, SS. 2 & 3.
19. *ibid.*, s.5.
20. Stats. Can. 1969-70, c. 69, s. 14; R.S.C. 1970, 1st Supp., c. 48.
21. Stats. Can. 1974, c. 5.
22. Advisory Commission Report, *op.cit.*, f.n. 38, p. 49.
23. Debates of the N.W.T. Council, 8th Council, 58th Sess., Feb. 12, 1976, p. 844.
24. Appropriations Ord., 1976-77, O.N.W.T. 1976; 1st Sess., c.1.
25. For a general review of the division of administrative responsibilities see: Zarwiny, A. R., Paper on Provincial-Type Responsibilities Performed in the N.W.T., tabled document 1-46, 40th Sess., Territorial Council, Jan., 1972.
26. *op. cit.*, f.n. 38, p. 162.
27. Report, *op. cit.*, f.n. 38, p. 162.
28. (1878), 3 App. Cas. 889 (P.C.).
29. *ibid.*, at p. 804.
30. (1883), 9 App. Cas. 117 (P.C.).
31. *ibid.*, at p. 132.
32. (1885), 10 App. Cas. 282 at p. 290.
33. Rupert's Land Act, 1868, *op. cit.*, f.n. 7, s. 5.



47. B.N.A. Act, 1871, op. cit., f.n. 1<sup>o</sup>, s. 2.
53. (1903), 14 Man. L. R. 382.
59. An Act Respecting the Canadian Pacific Railway, (1871), 4 Vict., c. 1, Schedule s. 16.
60. op. cit., f.n. 58, at p. 409.
61. ibid., p. 407.
62. (1904), 35 S.C.R. 550 at p. 570.
63. ibid., at p. 573-74.
64. [1918] 3 W.W.R., 111; 57 S.C.R. 150.
65. ibid, W.W.R. at p. 123.
66. [1950] 4 D.L.R. 369; [1950] S.C.R. 31.
67. ibid., D.L.R. at p. 383.
68. ibid., at p. 383-4 (author's emphasis).
69. [1970] S.C.R. 282; (1970), 3 D.L.R. (3d) 473.
70. ibid., S.C.R. at p. 291 Section 5(2) of the Bill of Rights, R.S.C. 1970, APP. 11, p. 457, reads as follows:  
"5.2. The expression "law of Canada" in Part I means an Act of the Parliament of Canada enacted before or after the coming into force of this Act, or any order, rule or regulation thereunder, and any law in force in Canada or in any part of Canada at the commencement of this Act that is subject to be repealed, abolished or altered by the Parliament of Canada."
71. (1962), 32 D.L.R. (2d), 290; 132 C.C.C. 237; 37 C.R. 55.
72. Further, in this regard, see the reasons of Laskin, C. J. C. and Beetz, J., in A.-G. Can. v. Canada, [1975] 3 W.W.R. 7 showing a possible solution to this problem of conflict between federal and provincial enactments giving rise to an inequality based upon race.
73. (1969), 68 W.W.R. 64.
74. ibid., at p. 67.
75. (1970), 72 W.W.R. 746 at p. 753.
76. [1971] 4 W.W.R. 491 (T.C. N.W.T.) at p. 496.
77. It is interesting to note that since that decision the Council has passed legislation allowing the garnishee of wages of territorial civil servants. R.O.R.M.T. 1974, C. P-14.



78. At the time of  
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79. ...

80. (1970), 64 ...

81. R.S.C. 1971 ...

82. op. cit., ...

83. R.S.C. 1972 ...  
Stats. ...

... 1976, ...  
... 74, ...

84. A more detailed  
next section ...

... is ...

85. Statutory ...

... -77- ...

86. See B.N.A. ...

... 1-80.

87. (1981), 22 ...

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88. B.N.A. Act,

89. B.N.A. Act,

90. For example ...

91. Not all provi-  
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[16] S.C.R. 23

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App. 11, p. ...  
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cases, however ...  
ly equal.

92. R. v. Hassan ...  
Rep. 123 ...  
no case shall ...  
giving a po-

C. 25-1 ...  
B.N.A. Act ...  
s. 13 ...  
to a provi-

93. For example,  
Child Welfare ...  
1974, C. L-1.

R.O.B.N.A. ...  
C-3; Liquor ...

94. R.S.C. 1970, ...  
Judicature ...  
(1970, C.S.)

... a ...

95. R.S.C. 1970, ...





99. *op. cit.*, fn. 81.
100. *Id.*, s. 15, 27 and 29.
101. R.O.N.W.T. 1974, c. 1-1.
102. R.O.N.W.T. 1974, c. 1-2.
103. As to the public service of the N.W.T. See: Tercher's Association Ord., R.O.N.W.T. 1974, c. T-2; Northwest Territories Public Service Assn. Ord., R.O.N.W.T. 1974, c. N-2.
104. City of Yellowknife and Public Service Alliance of Canada, *op. cit.*, fn. 80.
105. R.S.C. 1970 c. L-2.
106. R.O.N.W.T. 1974, c. P-13.
107. R.S.C. 1970, c. P-35.
108. Northern Canada Power Commission Act, R.S.C. 1970, c. N-21.
109. McNarron, C. H., "Transportation, Communication and the Constitution; The Scope of Federal Jurisdictions" (1969), 47 Can. Bar. Rev. 355.
110. Maintenance Orders (Facilities for Enforcement) Ord., R.O.N.W.T. 1974, c. H-4.
111. See Generally with regard to disallowance and reservation, La Forest, Gerald, Disallowance and Reservation of Provincial Legislation (Ottawa, 1955, Department of Justice).
112. R.S.C. 1970, c. 48 (1st Supp.), s. 21.
113. The Yukon Council may now change its own size within the limits of 12 to 20 members. Stats. Can. 1974, c. 5, s. 2.
114. Chamberlist v. Collins (1962), 39 W.W.R. 66; 34 D.L.R. (2d) 414 (Y.T.C.A.).
115. The scope of the application of provincial laws to Federal companies has been discussed by the courts in a number of cases. For a recent discussion of these cases and how the principles applied in them apply to Indians see: The Natural Parents v. Superintendent of Child Welfare, (1975), 60 D.L.R. (2d) 311 (S.C.C.).
116. R.S.C. 1970, c. I-7.
117. For purposes of this paper, the extent of the ownership of Crown lands in the N.W.T. by the Dominion is assumed to be legal and no position is taken on whether the Federal government holds these resources as a trustee for the Territories. The B.N.A. Act, 1867 recites that there were doubts as to the legality of this position.



and the federal go. cannot disprove its competence to provide for the provinces for their monetary loss as a result of the federal management, though, substantially, the position is virtually impossible. See the reports of the Royal Commission on the Natural Resources of Alberta (Owen, Chairman); of Saskatchewan (Owen, Chairman) and the Royal Commission on the Transfer of the Natural Resources of Manitoba (Ferguson, Chairman). The best statement of the argument for the provinces was by Chester Martin, op. cit., f.n. 8. The argument is not substantially impaired by the judgements of the Supreme Court of Canada and Privy Council in Re Transfer of Natural Resources to the Province of Saskatchewan [1931] S.C.R. 243, aff'd [1932] A.C. 28 holding that Saskatchewan could not require an accounting for federal management prior to the creation of the province.

115. Re Eskimos [1939] 2 D.L.R. 417 (S.C.C.).
116. R.S.C. 1970, C. 1-6.
117. Whether this is merely declaratory or incorporates provincial legislation by reference is discussed in Natural Parents v. Superintendent of Child Welfare, op. cit., f.n. 112, and Cardinal v. Attorney-General Alberta (1973), 6 W.W.R. 205 (S.C.C.).
118. R.S.C. 1970, C. 1-23, s.28.
119. The word, "Eskimos", is not legally defined. There is no "status" group of Eskimos as there is created by the Indian Act for Indians so all Inuit, regardless of racial purity, would come under this section. S.28 of the Indian Act only applies to "status" Indians, but as Parliament does not legislate with regard to non-status Indians or Met's, they would be subject to, at least, the laws of general application, whether they came within the definition of an "Indian", as that word is used in the B.N.A. Act, or not.
120. Their validity of contracts is in doubt. See Re Paulette's Caveat Application (1973), 6 W.W.R. 97 (H.H.T.S.C.), reversed by 63 D.L.R. (3d) 1 (H.H.T.C.). The reversal did not affect the substance of the claim.
121. R. v. Koochek (1969), 31 C.R. 12; 28 W.W.R. 376 (H.H.T.T.C.).
122. Stats. Can. 1966, C. 20, s. 1.
123. Considered by the Supreme Court of Canada in R. v. Siggareek #1-53 (1966), 54 W.W.R. 472.
124. Cardinal v. Attorney-General Alberta, op. cit., f.n. 117. R. v. Bouché (1970), 61 D.L.R. (2d) 337 (Alta. C.A.). Gyran (E. J.) v. E. [1976] 1 W.W.R. 116 (S.C.C.).
125. Cardinal v. Attorney-General Alberta, ibid.



126. *Calder et. al. v. Attorney-General British Columbia* (1973) 34 B.L.R. (3d) 145 (S.C.C.). Provincial participation is required for any transaction which involves creating a reserve or establishing conditions of land tenure within the province. In part of the settlement of Indian claims was left to the province by the Indian Land Surrender Extension Act, Stats. Can. 1912, c. 42.
127. An Act to amend the National Parks Act, Stats. Can. 1974, c. 11, s. 11.



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MOTION 2-42 (January, 1973)

WHEREAS there are several proposals for construction of pipelines through the Mackenzie Valley;

AND WHEREAS there can be considerable economic and social benefit to all Mackenzie River and Western Arctic settlements, to the Territories as a whole and to Canada resulting from the construction of these pipelines;

AND WHEREAS the present state of northern technology illustrated by the construction of Mackenzie Valley settlements, the Canol Pipeline and road, the Dempster Highway, the CNR land line and the research done by the Mackenzie Valley Pipeline Research Group, the Northwest Study Group, the Gas Arctic Systems Group and various other governmental and private industry research consultants indicate that pipelines can be built

through the Mackenzie Valley with tolerable environmental disturbance;

AND WHEREAS the federal government has established guidelines requiring environmental protection, pollution control, Canadian participation and the employment of northern residents on any pipeline or related project;

NOW THEREFORE, I move that the Council of the Northwest Territories formally recommend and support the construction of a pipeline or a system corridor development through the Mackenzie Valley provided there is:

(a) optimum participation and involvement of the Government of the Northwest Territories and Territorial residents in the planning, route selection, financing and policies pertaining to the construction and operation of the pipelines;

(b) optimum employment of northerners during the planning, construction and operation of the pipelines;





(c) provision for just and equitable compensation of any person or persons adversely affected as a direct result of the pipeline construction; and

(d) adequate provision for the protection of the environment along the pipeline route with minimum disturbance to wildlife and persons living off the land.



PROCEEDINGS (January, 1973)

AND WHEREAS the Government of Canada's treaty obligations in the Northwest Territories remain unfulfilled;

AND WHEREAS the title or claim to traditional Inuit land and marine water has not been extinguished or infringed on either by treaty or other settlement;

AND WHEREAS there is a rising expectation among native people in the Northwest Territories regarding a claims settlement;

NOW THEREFORE, I move that the Commissioner convey to the Prime Minister this Council's desire to see an early and equitable settlement by the Government of Canada of the moral and legitimate claims of native residents of the Northwest Territories and indicate to the Prime Minister this Council's willingness to participate to this end.



NOTION 17-48 (January, 1973)

WHEREAS the Minister of DIAND has published guidelines regarding the construction of an oil and gas pipeline down the Mackenzie Valley and has asked this Council for its views respecting same;

AND WHEREAS the said guidelines deal with the three aspects: the corridor principle, protection of the environment and job employment of the native people;

AND WHEREAS it is this Council's view that participation by Northern people should not be restricted merely to a few jobs;

NOW THEREFORE, I move that Council request that the Commissioner indicate to his Minister, on behalf of this Council, that there should be a fourth area of emphasis, namely a meaningful political participation by the Territorial Government and this Council in the decision making process regarding all aspects of the proposed pipeline down the Mackenzie Valley and any line planned to extract natural gas from the Arctic Islands.





It would seem probable that a Mackenzie Valley Pipeline Authority is to be set up to oversee the regulation of the construction of the Mackenzie Valley Pipeline;

AND WHEREAS various powers of many Federal Government Departments and Territorial Government Departments might be delegated to such an Authority in order that the construction might proceed in an orderly manner and that the various environment and other constraints might be policed in a satisfactory fashion;

AND WHEREAS this Council is jealous of its Powers and is desirous that any delegation shall be done only if it sees that such delegation is of benefit to the people of the Northwest Territories;

AND WHEREAS this Council desires representation on any Authority to which its Powers are delegated;

NOW THEREFORE, I move that:

1. No delegation of powers or responsibilities be made to any Mackenzie Valley Pipeline Authority or like Authority except by way of an Ordinance duly passed by Commissioner in Council;
2. There be a Member of this Council appointed to the supreme governing body of any Mackenzie Valley Pipeline or like Authority and that such member be recommended by this Council; and
3. Any delegation of powers, as referred to above, should be:
  - a) for a period not exceeding four (4) years, and
  - b) in respect to an area of land not exceeding five (5) kilometers on either side of the center-line of the pipeline right of way.



MOTION 11-12 (June/July, 1969)

WHEREAS a motion, being Motion No. 13, was passed at the 35th Session of Council that the Commissioner make representations on behalf of the Council to the appropriate Federal authorities to amend the Criminal Code and, if necessary, the Northwest Territories Act to name the Commissioner the Attorney-General in respect to the Northwest Territories, thereby bringing the enforcement of the Criminal Code, Territorial Ordinances and By-Laws and Legislative drafting for this Council under the jurisdiction of the Commissioner; and

WHEREAS the Honourable Territorial Justice W. G. Morrow, Royal Commissioner on the inquiry re: the administration of Justice in the Hay River Area, recommended (contrary to Motion No. 13, 35th Session) "That immediate consideration be given to the desirability of setting up a new office in the Department of Justice at Ottawa to be designated: Assistant Deputy Attorney-General of the Northwest Territories"; and

WHEREAS it is desirable to transfer basic provincial type functions to the Territorial Government to be administered from within the Northwest Territories; and

WHEREAS the function of Territorial Attorney-General is a basic provincial type service which should be transferred to the Territorial Government to be administered from within the Northwest Territories;

NOW THEREFORE, I move that this Council confirm Motion No. 13 passed at the 35th Session of Council and express this Council's desire that any office of the Attorney-General be established, not at Ottawa as recommended by the Royal Commissioner, but within the Northwest Territories at the Capital.



10701/1/17 (C-14/3010, 1968)

WHEREAS at this Session and at previous Sessions of the Northwest Territories Legislative Council, action requiring amendment to the Northwest Territories Act has been requested, and

WHEREAS some of these requests, such as the request for amendment in Members' indemnities and allowances are of immediate and pressing concern to Members of Council and to residents of the Territories, and

WHEREAS it appears that requests to implement the Carrothers Commission report, even if accepted, may either fail to cover specific pressing requirements or may fail to occur soon enough to provide the necessary immediate reply, now

THEREFORE, I move that the Commissioner establish a Northwest Territories Amendment Committee of three people with the Commissioner as Chairman.

It would be the duty of this Committee to examine into required changes in the Act and to make specific recommendations to the Minister of Indian Affairs and Northern Development regarding these changes. Specifically, the Committee would be charged with responsibility for examining into and making representations upon the following matters:

- 1) The question of an Executive Council for the Northwest Territories;
- 2) The question of a Legislative Assembly for the Northwest Territories including the problem of indemnity and allowances for the Members of the existing Legislative Council;

- 3) Any other matters regarding the Northwest Territories Act which in the opinion of the Committee require examination and change at this time.

FURTHER, that this Committee report to Council at its next Session.



MINUTE BOOK (March, 1970)

AND WHEREAS many of the recommendations of the Carrothers Commission have been implemented or are in process, one thing we think in the Council is most important and that is the recommendation in respect that the Executive Council should be included in the Governmental organization of the Northwest Territories;

AND WHEREAS in 1966 the Commission recommended and the Council supported the establishment of an Executive Council which would include elected Members of the Legislative body, that it be presided over by the Commissioner, and that each Member would be charged with the Administration of one or more Departments;

AND WHEREAS the Commission recommended that the Executive Council should be responsible for co-ordinating finance, preparing the budget, legislation, et cetera, that it would have a function and responsibility that would be comparable to that performed by a "Cabinet" in a Provincial Legislature;

AND WHEREAS without such a Council there is no means whereby an elected Member of the Northwest Territories Legislative body can participate or gain experience in the executive responsibilities of the Government;

AND WHEREAS it is not now possible for an elected representative's judgment and experience to be brought to bear or for him to participate in the day to day and week to week Government operations and decisions;

AND WHEREAS this type of advice and experience would be of the utmost assistance and benefit to the Commissioner in the Administration of the Government affairs;





AND WHEREAS we do not feel that the lack of this background of experience and knowledge should continue to be precluded from the Government and electorate as a whole;

AND WHEREAS the present procedure of requiring Territorial public servants to appear before Council in formal session or before the Committee of the House is undesirable and contrary to the principle of civil service anonymity; and further there is no other practical procedure under the presently constituted machinery of Government; nor is such a practice followed in any other legislative body in Canada; in this case the Ministers of the Crown are required to speak for their departmental responsibilities before their elected colleagues;

AND WHEREAS this practice is not conducive to the development of a strong and competent Territorial Public Service;

AND WHEREAS an Executive Council would cause this practice to cease and thereby put the Territorial Public Service in a comparable position to those of other provincial services and thereby enhance and strengthen it;

AND WHEREAS every citizen in the Northwest Territories has a right to participate in the institutions of responsible government at the provincial as well as the Federal level under the commitment of the Canadian constitution;

AND WHEREAS the Minister of Indian Affairs and Northern Development stated on November 10th, 1969, that he is planning to place draft legislation before Parliament to amend the Northwest Territories Act to include other recommendations of the Carrothers Commission to come into effect;

NOW THEREFORE, I move that we as a Council strongly urge that the Minister of Indian Affairs and Northern Development obtain inclusion in the draft



to be provided for an  
Council of the North-West Territories and to be the same time change the name of the  
said Council to the North-West Territories Legislative Assembly;  
AND I HEREBY request you, Mr. Commissioner, to convey the above request  
to the Minister with despatch.



THAT the Carrothers Commission recommended that the salaries of the  
Commissioner and Deputy Commissioner be paid out of the budget voted by this  
Council;

THAT the salaries of the Commissioner and Deputy Commissioner are  
still being paid by authority of the Governor in Council out of the  
Consolidated Revenue Fund of Canada;

THAT the salaries of all other members of the Government of the  
Northwest Territories are being paid by the Territories and properly so;

THAT the Commissioner is responsible to the Minister of Indian  
Affairs and Northern Development for the administration of the Government  
of the Northwest Territories but must account to this Council for his  
stewardship; and

THAT it is consistent with their responsibilities as Commissioner and  
Deputy Commissioner that their salaries should properly be a charge  
against the N.W.T. Budget.

NOW THEREFORE, I move that the Minister of Indian Affairs and Northern  
Development be requested to take the action necessary to enable payment  
of the salaries and expenses of the Commissioner and Deputy Commissioner  
of the Northwest Territories out of the Northwest Territories Consolidated  
Revenue Fund.





MINUTE BOOK (1911-1912)

WHEREAS the Joint Parliamentary Committee on the House of Commons and Senate on the Constitution recently held public hearings in the Northwest Territories in both Yellowknife and Inuvik;

AND WHEREAS the Council should state its views on the Constitution and the relationship of the Northwest Territories to the Government of Canada and the other provinces in Canada;

NOW THEREFORE, I move that the Commissioner establish a subcommittee of three members of this Council with Mr. Searle as Chairman charged with the responsibility of obtaining the views of the members of this Council and that a position paper be drafted by this subcommittee to be approved by Council for forwarding to the Joint Parliamentary Committee on the Constitution.



MEMOR 31-45 (June, 1971)

WHEREAS the Canadian Council of Resource Ministers, a special committee on Resources Development has been created with representatives from all provincial ministers and the Federal Government;

AND WHEREAS there is no representative from or of the N.W.T.;

NOW THEREFORE, I move that this Council petition the Minister of DIAND requesting that the Council of the N.W.T. be represented directly on this committee of resource ministers.



NOTION 34-45 (June, 1971)

IT WAS during the conduct of business at this session, as was the case in previous sessions, there seems to be considerable confusion or misunderstanding as to the areas of responsibilities for provincial-type responsibilities between the Northwest Territories Council, the NWT Government and the Department of Indian Affairs and Northern Development; NOW THEREFORE, I move that the Administration prepare and circulate to Members, and table at the next session of Council, a paper outlining the provincial-type responsibilities being performed in the Northwest Territories and identify the following:

(a) those responsibilities that are presently assumed by the Department of Indian Affairs and Northern Development;

(b) those being carried out by the Northwest Territories Council and the Government;

(c) those where the Administration acts on behalf of the Department of Indian Affairs and Northern Development, the Department of Health and Welfare and other Federal Government departments,

(i) for provincial-type responsibilities,

(ii) for federal responsibilities such as distribution of Indian treaty monies, etc.,

(d) those areas where there is an overlapping of responsibility.



100/101/2-16 (January, 1974)

100/101/2-16 ownership of the surface and subsurface rights to land within the Northwest Territories is vested in Her Majesty the Queen in right of Canada;

NOW THEREFORE, I move that the Commissioner make representation on behalf of this Council to the appropriate federal authorities requesting that the federal government acknowledge its role as a trustee of natural resources for the future province of the North and establish guidelines for a proper accounting of that trusteeship when same comes to a close (when the province of the North comes into being) coupled at that time with a transfer of ownership of said natural resources to said "province" of the North.





MOTION 9-46 (January, 1972)

AND WHEREAS the Minister of Northern Affairs and National Resources appointed a Advisory Commission on the Development of Government in the Northwest Territories, in 1965, and that Commission which became known as the Carrothers Commission reported in September 1966;

AND WHEREAS a considerable number of the recommendations of the Carrothers Commission have been implemented, resulting in major changes in Territorial Government administration, and advances in form and responsibility of the Council;

AND WHEREAS the Carrothers Commission recommended a decennial review;

AND WHEREAS the sum of governmental, administrative, economic and sociological change has been very considerable since 1965;

AND WHEREAS there is urgent need for an overall assessment of the Territorial situation;

NOW THEREFORE, I move that we recommend that the Federal Government, and the Minister of Indian Affairs and Northern Development in particular, set up in the near future a commission with specific participation of N.W.T. residents to consider current and foreseeable political, administrative, economic, and sociological structures of Canada's north in the context of the Federal-Provincial-Territorial setting; and that a final report with recommendations be produced not later than 1974.



WHEREAS in 1965 the Government of Canada appointed the Carrothers Commission to make recommendations on the action that should be taken to provide for the orderly development of Government in the Northwest Territories;

AND WHEREAS a number of the recommendations of the Carrothers Commission have been accepted and implemented by the Government of Canada through the Minister of the Department of Indian Affairs and Northern Development;

AND WHEREAS no action has been taken in the past year and a half to implement the remaining recommendations of the Carrothers Commission, many associated with the transfer of additional provincial-type responsibilities from the Department of Indian Affairs and Northern Development to the Government of the Northwest Territories;

AND WHEREAS during this period the Department of Indian Affairs and Northern Development has expanded their staff within the Northwest Territories, in order to administer provincial-type responsibilities that the Carrothers Commission had recommended to be transferred to the Government of the Northwest Territories;

AND WHEREAS this has resulted in two Governments, only one of which is directly influenced by the elected representatives of the people of the Northwest Territories, being involved in the administration of provincial-type responsibilities within the Northwest Territories;

AND WHEREAS this overlapping of responsibility for the administration of provincial-type responsibilities has resulted in areas of confusion and inefficiency that are not consistent with a high standard of Government



vice to the public;

and that, I say that:

(a) that the Council of the Northwest Territories prepare a program which set out in detail the areas by which the ongoing provincial responsibilities now presently administered by the Government of the Northwest Territories, could be transferred most expeditiously to the administration of the Government of the Northwest Territories,

(b) that this program exempt from consideration the transfer of administration of sub-surface rights to land, but commence with the transfer of the administration of surface responsibilities such as forest management, roads etc.,

(c) that this program be tabled at the next session of the Territorial Council, after consideration of which the Council may present the program to the Minister of Indian Affairs and Northern Development for implementation.





AS the Carroliers Commission recommended that the salaries of the  
Commissioner and Deputy Commissioner be paid out of funds voted by this  
House;

WHEREAS the salaries of the Commissioner and Deputy Commissioner are  
still being paid by authority of the Governor in Council out of the  
Consolidated Revenue Fund of Canada;

AND WHEREAS the salaries of all other members of the Government of the  
Northwest Territories are being paid by the Territories;

AND WHEREAS while the Commissioner is responsible to the Minister of  
Indian Affairs and Northern Development for the administration of the  
Government of the Northwest Territories he must account to the Council  
of the Northwest Territories for his stewardship;

AND WHEREAS it is consistent with such responsibility and accountability  
of the Commissioner or Deputy Commissioner that their salaries should  
properly be a charge against the Consolidated Revenue Fund of the  
Northwest Territories;

NOW THEREFORE, I move that the Minister of Indian Affairs and Northern  
Development be requested to take the action necessary to enable payment  
of salaries and expenses of the Commissioner and Deputy Commissioner of  
the Northwest Territories out of the Northwest Territories Consolidated  
Revenue Fund.



the evolution of the Northwest Territories is subject to many and complex factors;

WHEREAS the Northwest Territories since Confederation has been drastically reduced in size as a political unit to permit the formation of the prairie provinces and the Yukon Territory;

AND WHEREAS a fundamental right of each and every political unit is the determination of its geographic boundaries;

WHEREAS Canada in its evolution has traditionally moved to recognize the grouping of geographically and demographically like regions when delineating the boundaries of the ten provinces and two territories;

THEREFORE, I move that the Commissioner inform the Prime Minister who has permitted the Northwest Territories to attend at federal-provincial conferences as an interested observer and who, also, is trustee for both the natural resources of these Territories and the political aspiration of its people in their evolution toward a more autonomous status of,

(a) the interest of this Council in acquiring politically and administratively, the geographically and demographically like areas contiguous to the 60th parallel of the N.W.T., and that,

(b) henceforth, arrangements be made for the Northwest Territories to have representation at any provincial, federal or federal-provincial conference dealing with boundary questions of interest to the people of N.W.T.



1. The Council has received by letter that there still remain  
to be made by the Council certain decisions which have not yet been  
made by the federal government;

2. WHEREAS at the 40th session of this Council a motion was passed,  
by the Commissioner:

(a) to prepare a paper identifying provincial-type areas of respon-  
sibility presently being performed, not by the Territorial Government,  
but by federal agencies, and

(b) to prepare a schedule coupled with the means necessary for the  
Territorial Government to assume these responsibilities;

3. WHEREAS Information Item 38-47, on page 2, quotes a communication  
from the Department of Indian Affairs and Northern Development advising  
that any paper such as requested above would first require the approval  
of the Minister before becoming a public document; meaning before it  
could be released to this Council which requested the paper;

4. WHEREAS the above Information Item 38-47 further indicates "that the  
Minister has given direction that he does not envisage either now or in  
the foreseeable future any further major transfer of provincial-type  
responsibilities ...";

5. WHEREAS this Council shall never agree either that the papers it  
requests from the territorial administration must first have the  
Minister's approval before being submitted to this Council, or that no  
further major transfers of provincial-type programs should be made  
now or in the foreseeable future;



... I move that this Committee of Council, ...

... to separate the areas of provincial-type responsibility into two

(1) those now being performed by the territorial administration, and

(2) those now being performed by a federal department or other

federal agency,

(3) to recommend to Council what areas of provincial-type responsibility now being performed by a federal department or other federal agency should be transferred from that agency or department to the territorial administration,

(4) to recommend to Council what steps should be taken to achieve the objective set out in (3) above, and

(5) in the discharge of the foregoing to hold Public Hearings as well as sittings of the Committee throughout the Territories and elsewhere in Canada as the Committee deems advisable;

(6) that the Clerk of the Council provide the necessary support staff, information and material as may be requested by the Committee to enable the Committee to perform its functions.





1. The Northwest Territories have the fundamental right to seek for  
their status inside the Canadian Confederation;

2. INHERENT during several sessions, need for an open and comprehensive  
discussion on northern policy has been often underlined;

3. INHERENT we have not been adequately provided with the chance of  
participating in discussions pertinent to a better political future;

4. INHERENT a dominant northern input is a must in such an activity;

5. THEREFORE, I move that the Seventh Council of the Northwest Terri-  
tories take the initiative of sponsoring a public and a top-level  
conference on the political future of this part of Canada.



MINUTE BOOK (January, 1973)

Interdepartmental Committee on Federal/Territorial Financial  
Relations be chaired by an Assistant Deputy Minister of DIAND, and sit  
to review our Territorial Estimates;

AS the said estimates involving the above mentioned review are  
to be forwarded as part of the said Assistant Minister's budget;

BEAS DIAND is involving itself more and more in matters of  
provincial-type jurisdiction to the exclusion of the Territorial Govern-  
ment of this Council;

BEAS it is becoming more obvious that we can no longer rely upon  
Assistant Deputy Minister to put our budget forward, particularly when  
the area for responsibility is competing for those same needs in  
provincial-type areas;

THEREFORE, I move that the Commissioner, on behalf of the Council,  
recommend to his Minister that the Interdepartmental Committee on Federal/  
Territorial Financial Relations be chaired by either our Commissioner or  
Deputy Commissioner; that it sit in Yellowknife; that it not include  
members of DIAND; and thereafter that the Commissioner, once the budget  
is presented, present same directly to his Minister without departmental  
filtering.



HOUSE OF COMMONS (January, 1974)

As there is a national energy conference presently in progress;  
and as the people of the Northwest Territories are not directly  
represented;

and as Northern Canada's energy and the needs of northern people are  
relevant in such discussions;

and THEREFORE, I move that this Council send the following wire to the  
Chairman, The Right Honourable Prime Minister, of the conference:

THE RIGHT HONOURABLE PIERRE E. TRUDEAU,  
P.C.M.P. CHAIRMAN,  
FEDERAL PROVINCIAL ENERGY CONFERENCE,  
OTTAWA, ONTARIO.

THE COUNCIL OF THE NORTHWEST TERRITORIES TAKES THE POSITION THAT  
THE PEOPLE OF THE NORTHWEST TERRITORIES SHOULD BE PARTICIPATING  
IN YOUR CONFERENCE. WE ASK THAT THIS REQUEST BE PLACED BEFORE  
THE MEETING SO THAT AT ANY SUCH FUTURE CONFERENCES THERE MAY BE  
NORTHWEST TERRITORIES POLITICAL INVOLVEMENT NOT AS OBSERVERS BUT  
AS PARTICIPANTS AT SUCH CONFERENCES.





The 1994 Corollary to the 1984 report was submitted to the then  
Minister of the Interior.

Article 1 of the 1994 Corollary to the Corollary Convention (1994)  
was that the political, economic and social development of the H.M.F. be  
submitted to the Council not more than ten (10) years after 30 June 1994;  
1994;

Now in 1994, I hope that the Council ask the Minister to establish a  
Committee to examine the political, economic and social development  
of the world.



1911-12 (May 1911)

It is my opinion that the Government of Canada is considering the question of the Canadian constitution.

1. I have that:

(i) this House believes the consent of the provinces to be a necessary prerequisite to the patriation of the British North America Act and to any formula for its amendment and;

(ii) the legislature of the Northwest Territories should be represented at any conference called by the Government of Canada and to which the provinces are invited to discuss the patriation of the Canadian constitution.







THE DEPARTMENT OF LOCAL GOVERNMENT  
of the  
GOVERNMENT OF THE NORTHWEST TERRITORIES  
in relation to  
THE PROPOSED MACKENZIE VALLEY PIPELINE

Evidence given by  
R. A. CREERY, DIRECTOR, DEPARTMENT OF LOCAL GOVERNMENT

to  
THE MACKENZIE VALLEY PIPELINE INQUIRY





Mr. Commissioner:

My appearance before you today gives me the opportunity to describe the responsibilities and practices of the Department of Local Government, since many of them relate to the impacts of pipeline construction, operation and abandonment in the Mackenzie Valley.

Although the impression is often given that it is up to an Applicant to show that adverse social, environmental and economic consequences can be held to acceptable levels, this overlooks the fact that some aspects do not lie under his control. The perceptions and actions of institutions, such as the Native Associations, Chamber of Commerce and Association of Municipalities, will also affect the issue. And much will depend upon the Government's readiness to assume responsibility not only for laying down the rules but also for its part in carrying them out. There are, therefore, terms and conditions that should be accepted by Government just as there are those that should be applied to an Applicant. But even the terms and conditions finally set will not fully serve their purpose if their intent is not understood and supported by the people affected.

My contribution will be made with these factors in mind, for in the facilities for consulting and informing provided by my Department there is opportunity for public opinion to consolidate itself and for local problems concerned with pipeline activity to be worked out. Also, in the facilities for providing financial, professional and technical support to communities many of the urban environmental and economic hazards of the pipeline can be avoided or controlled. This implies, however, that these facilities--both consultative and supportive--



should receive adequate support and funding themselves.

### The Department of Local Government

First, I would like to describe what the Department of Local Government does, then how this corresponds to needs of people locally in connection with a number of pipeline-related issues.

The Department of Local Government is responsible for political development at the local level; and for assuring that services of a type normally assumed by municipalities are provided throughout the N.W.T. It carries out these responsibilities by encouraging the formation of local Councils in each settlement and gradually transferring to them the authority of a municipal Council, as their capability and desire to govern themselves grows. Eventually, Settlement Councils become incorporated as Hamlets and, after a tax base has developed, may progress to become Villages. Villages, according to growth, may become Towns and Cities.

The Department provides provincial-type services to municipalities for the financing of capital projects, assistance for certain operating expenses, for assessment, and for town planning and land management.

The Department carries out these functions through three operating Divisions; namely, Town Planning and Lands, Municipal Affairs, and Research and Development.





The Research and Development Division encourages the development of political and social awareness in order that people may effectively participate in local governing structures. It concerns itself primarily with the problems of community organization and development which arise in a society where institutions of municipal self-government are being created for the first time. The principal programs executed by this Division are:--Training, Development and Research.

The Training Program is directed towards the Councils' Executive Officers--Secretary Managers and Settlement Secretaries--, elected officials of local Councils, and Department of Local Government staff. Its purpose is to build upon the experience of persons now engaged in Local Government, to provide an orientation for persons who may wish to become elected or employed with Local Government, and to contribute to the development of strong indigenous political and administrative leadership. The Program consists of seminars, workshops, conferences and courses intended to expose the participants to all aspects of Local Government development and administration and to provide them with the knowledge, skills and techniques required for effective individual and community involvement in the local governing process. The full Course is being developed at the present time to Certificate standard--a Certificate in Northern Local Government Administration--with the help of the University of Alberta to set the standard and to maintain quality control.





The Development Program is directed towards communities as a whole, to local Councils and to individuals. Its purpose is to relate program content, such as provision of municipal services, town planning, airport operation, with the developmental process. Development Officers in the field ensure that the way things are done is consistent with developing the capacity of each community to be locally self-governing; that help leads to greater self-reliance, not to greater dependence. The development process enables people to gain the knowledge and skills to understand the process by which decisions are made, in order that they may take their full and proper part in those decisions and thus exercise the rights and responsibilities of self-government. The Development Officers concern themselves with the issues defined by the communities they serve and assist them in finding methods and resources to deal with those issues; it is their purpose to enable the individuals and communities with whom they work to achieve competence and self-confidence in the operation of democratic, political and administrative structures. Development staff visit communities on a regular basis and also organize regional conferences and Council or community workshops.

The Research Program is directed towards the Department as a whole and responds to needs concerning municipal functions and to socio-political questions relating to the development of local government. The Research Staff research and analyse social and political conditions affecting policies and programs of the Department and prepare recommendations for new or modified policies and programs. They maintain contact with the field staff and communities through correspondence,



visits and workshops.

### The Municipal Affairs Division

The Municipal Affairs Division assists local authorities to develop proper procedures of municipal government, including the provision of public services and the establishment and maintenance of sound financial practices. It provides financial support through Government-funded debenture-loans and grants; material support through Government-supplied buildings, mobile heavy equipment, water and sanitation installations; administrative and financial guidance and inspections; assessment service to tax-base municipalities and to Government; and community airport development.

The Municipal Administration Program includes the budgeting of capital projects and the operation and maintenance expenses for all settlements and incorporated municipalities. The Program is put into practice by the following means:--

#### Tax-base Municipalities

a. Debenture Loans:--These loans are available from the Federal Government at the prime interest rate up to limits of 20% of the total taxable assessment for city and towns, 10% for villages, to assist municipalities in carrying out capital projects.

b. Unconditional Grants:--

(1) a \$50 per capita grant afforded in support of general operating costs.



- (ii) a \$2500 town-planning grant.
- c. Grant in Lieu of Taxes:--This grant is paid in lieu of taxes on Territorial Government property on application by the municipality and on the normal assessment base.
- d. Conditional Grants:--
  - (i) Road Maintenance. Paid at 40% of costs.
  - (ii) Water and Sanitation. Paid according to Water and Sanitation Policy.
  - (iii) Road and Sidewalk Construction. Paid at 50% of costs.

#### Hamlets

- a. Hamlet Operating Grant. Negotiated annually between Territorial Government and Hamlet Council to cover all operating costs, including organization and delivery of municipal services.
- b. Capital Grants as for Settlements.

#### Settlements

- a. Unconditional. A \$20 per capita grant afforded in support of general operating costs.
- b. Specific Grants:--
  - (i) Municipal Services. All costs for water delivery and sewage and garbage disposal. Some revenue is obtained and returned to the N.W.T. Consolidated Revenue Fund.
  - (ii) Road Construction and Site Development. Projects are determined by Councils and funded by the Department budget permits.
  - (iii) Fire Brigade. To pay honoraria to volunteer firemen.





c. Project Delivery:--

- (i) Water and Sanitation. Supply, distribution, disposal and treatment installations as necessary.
- (ii) Mobile Equipment. For road maintenance, municipal services, fire services as required and as Departmental budget permits.
- (iii) Garages All provided at a rate of
- (iv) Office/Fire Halls several units per year to
- (v) Laundry/Bath Houses Settlements according to
- (vi) Community Freezers priority of need and to
- (vii) Fire Alarm Systems Budgetary limits.

The Water and Sanitation Program comprises the coordination of water and sanitation services, researching alternate methods of water delivery and disposal appropriate to northern conditions, and developing policy and legislation that will meet the needs of local people in this field. The Guidance and Inspection Program provides financial monitoring and inspection services to ensure proper administration of funds and that Territorial Ordinances are being observed.

The Assessment Program provides an extending property assessment service to municipalities and Government, taxation providing the largest single source of locally-raised revenue. In Commissioner's Land or in municipal land taxation of a pipeline and related facilities would be exercised through this Program.





The Community Airports Program is a shared responsibility with agencies of the Ministry of Transport for the development of community airports and air transportation facilities throughout the N.W.T. and the training and support of local operators.

#### The Town Planning and Lands Division

The Town Planning and Lands Division develops policies and programs designed both to assist communities in controlling their own growth and development and to meet the need for planning, improving and protecting the physical development and land use in communities.

The Town Planning Program is directed towards communities in both resolving day-to-day planning problems and preparing longer-term general development plans that meet the needs and desires of the local people and make the best possible use of land and resources. An aerial photography and mapping service is provided to assist Councils in the planning and engineering of community projects. A legal survey service provides legal identification in order that land sales and control of physical development can take place; also that town plans and records can be continually up-dated.

The Land Administration Program concerns the administration of Crown and Commissioner's Land in and around municipalities and settlements, ensuring always that the interests of the community are represented. Land Administration involves land disposal, land negotiations and reservations; and, to some extent, planning and legislation.



Now what I have been describing is a municipal system of local government based on a southern model but adapting to northern people and northern circumstances. Before I go on to discuss what part Local Government might play in the context of the pipeline, it might be timely if I addressed myself to a question that has been raised previously in this Inquiry; it is this--is it a reasonable procedure to indtroduce a municipal system in the North and apply it across-the-board regardless of the size of the communities, their racial make-up, or traditional patterns of organization?

First, I would like to go back 10 years to the time of the Report of the Advisory Commission on the Development of Government in the Northwest Territories, and to give a historical sketch. It sounds extravagant to call such a short and recent period history, but so much has happened in 10 years that time-compression can be said to have produced instant-history.

The term "Colonial" has been used in respect to Government in the North by a number of contributors to this Inquiry as if this were something shocking, and great effort has been expended to prove the point. But the point, to my knowledge, is not contested. The Advisory Commission in 1966 described the Territorial Government on pages 25-26 of their Report and then added, "It is, in effect, a Colonial form of Government." This assessment has been repeated subsequently by a number of authorities, for until responsible government is introduced a colonial form of government it will remain. But surely the point should be not that it is



Colonial, but how and when it can be changed. To use the words of the Commission again, "The broad question before this Advisory Commission is whether there should now be a further advance toward responsible government, and if so, in what way and over what period of time."

Despite the steps that have been taken since, which have brought the N.W.T. to the "semi-provincial" designation afforded to the Yukon of 10 years ago, the same question is curiously apposite today.

At the time of their Inquiry, the Commission found that native people participated scarcely at all in the political life of the Territories. There was little opportunity for them to do so. There were two towns and one village. Advisory Councils were permitted in the unorganized settlements, but they had no responsibilities and no power. Native people were also economically and socially deprived.

In forming their Postulates, or value judgements, on which their subsequent Recommendations were based, the Commission discussed the dilemmas facing any course of development. For example, improvement in health implied warm housing which in turn implied the enticement of indigenous people away from camps and traditional ways of earning a living and into communities and a cultural erosion; the administration of justice according to Canadian law superimposes on indigenous cultures the social values which have shaped that law; introduction of responsible relationships on peoples who did not solicit them.







Nevertheless, in forming their Postulates, the Commission rejected the idea of exclusion or separate development and instead invoked the idea of partnership, proceeding politically at a pace calculated to respond to the respective interests of the different portions of the population, with a political structure preferably within the Canadian tradition, and with freedom to maintain cultural and ethnic identities. Their primary recommendation affecting the establishment of a Department of Local Government was as follows:--"We consider that a continuing and intensified program for the development of local government, in which all residents can be offered the opportunity of a meaningful role which they can understand, is crucial to the economic, social and political development of the North."

A program for the development of Local Government grew along the lines I described earlier; the willingness and capacity of people to govern themselves has grown commensurately. Instead of two towns, we now have one city and four towns; two villages instead of one; thirteen hamlets (these are incorporated municipalities but without tax base) and twenty-nine organized settlements instead of none. These would be empty figures if the institutions and processes of Local Government did not actually respond to peoples needs and were not used by them, but the opposite is the case. The Councils draw fine people to act as Chairmen and Councillors, the proportion of the electorate voting is high, comparing favourably with figures elsewhere in Canada, the range of subjects discussed is wide, the administrative standards are fair and improving. In the hamlets and settlements by far the majority of



Chairmen, Councillors and Council staff are native people. The Councils too have earned a reputation with Industry and Government for their ability to provide a forum for discussion, to present a case and to reach their own conclusions.

The objection that the municipal system is foreign to native experience and tradition is true, but then so are the circumstances that the municipal system is designed to cope with. The municipal system does not arise particularly from White culture; it rises from the complications of living in settlements, of modern technology, of developing a mixed economy and of the support processes entailed. The municipal system is simply a means for consulting, analysing, discussing and deciding; and for getting things done. It is a means to an end. If people can adjust the system to work better, or show that a different system would work better, we might give it a try as long as it is in keeping with the Canadian political tradition.

I would now like to move on to the way in which I think the institutions and processes of Local Government can be of service to the northern community if a pipeline or pipelines are to be built down the Mackenzie Valley. Such service lies in three main areas;--firstly, in enabling the informing, consulting, discussing and resolving processes to take place at local level; secondly, in coordinating town planning industrial needs and municipal infra-structure; and thirdly, in funding extraordinary needs and collecting revenue.



The Councils of the hamlets and settlements down the Mackenzie will be concerned with the broad issues of land claims and resource development posed by the pipeline as well as with purely local issues; indeed, the manner in which the former are dealt with will have a singular effect on the latter, <sup>in</sup> determining whether, or to what extent, local people support or oppose the construction of the pipeline and wish to participate in, or remove themselves from, the associated activity. Dependent as they are in large degree upon hunting, fishing and trapping, they will be extremely concerned with the effects of pipeline-related activities on wild life and environment. Also, since these activities will involve a major shift to wage-earning, together with migration of a large transient population, the communities will suffer radical change in the life-style of their inhabitants and in community life and needs themselves. All these changes suggest the resources requested by communities in terms of staff, such as Adult Educators or By-law Enforcement Officers or others; facilities, such as recreation or drop-in centres, etc.; and particularly for workshops, meetings, and travel for community representatives in search of advice, information or comparison, should be supplied without the two-year budgetary delay that is the present hallmark of new or expanded Government programs.

Opportunity to discuss on an inter-community basis will also be important in allowing a consolidation of local opinion and hence effective impact on the planning process. A particular institution towards such end was created last year by joint action of the Federal and Territorial Governments. A Mackenzie Delta Regional Planning Committee was established to allow local people to become informed on pipeline matters,





to receive and distribute information, to discuss issues, and to feed community concerns into the planning process. There is room in the development of this process to allow a decision-making function in due course. A full description of this Committee and its purposes was presented to you by Mr. A. B. Yates of the Department of Indian Affairs and Northern Development and Mr. L. Elkin of the Territorial Government on 6th February. The Committee, however, has never really got off the ground, as many people feel that pipeline planning is being done by your Inquiry or by the Native Associations in the preparation of their Land Claims. They are related, of course, but the sort of detail that is determined by a Regional Planning Committee is the normal coordination and inter-relation of a complex of expected activities that are going to take place whatever over-all pattern of jurisdictions and controls is established as a result of your Inquiry and the Land Claim negotiations; and, in fact, irrespective of whether a pipeline is built or not. Naturally, the main concern of a Regional Planning Committee at the moment would have to be the pipeline; but if a pipeline were not built, or not built for some time, a Regional Planning Committee would still benefit the people of an area having a natural interest in applying local preferences and needs to social, economic and political development taking place in that area. Reverting to my introductory remarks, it might, for example, be a reasonable condition of building the pipeline that a Regional Planning Committee be established; but the condition would not serve its purpose unless a common interest was perceived. The greatest single need for the future progress of the Northwest Territories and the acceptance and support of a pipeline, or any other major industrial development, is





the awareness of a common interest in the Northern society as a whole and the development of trust between the races that comprise it.

This common interest is unlikely to be perceived without informed public discussion. It is important, therefore, that the institutions in which this can be carried on should be seen as complementary to the purposes of your Inquiry and other inquiries, such as that of the National Energy Board, that may take place. Every encouragement should be given to communities that wish to get together to discuss their purposes, problems and ideas in the provision of funding to allow this to happen, in the provision and presentation of information, and in the application of community advice.

The major municipalities will be more concerned with the physical impact of pipeline activity than with the considerations I have mentioned so far. The evidence coming from Alaska is that the bad effects of pipeline construction have concentrated in the major municipalities, which were not prepared either in planning or funding for the degree of expansion that has taken place. As a result the expansion has been sprawling and disorganized, severe overcrowding has occurred, and all public services have been badly overloaded. It would be a pity if the hosts of Habitat '76 should allow the same thing to happen here when a warning is so plain to see.

We are actually in better shape than Alaska insofar as planning is concerned. We have, through the Town Planning and Lands Program and Federal funding, enabled all communities down the Mackenzie to have



comprehensive plans drawn-up for their own physical expansion and development of public services. These plans have been completed with the exception of Wrigley and Fort Good Hope. All predict and allow for the impact on communities, for no matter how much may be desired to keep the pipeline operation physically separated from the communities, it is clearly going to be impossible to keep apart an operation of this extent from natural centres of communication, transportation, labour and logistics support. The impact will vary, but enough can now be drawn from the plans mentioned, plus those of the Applicants and other reports that have been presented to you during the course of your Inquiry, to indicate the degree of development likely from community to community and the nature and extent of immediate infra-structure needs.

It has been suggested that when the pipeline is announced, funds will be made available. By then, however, it will be too late for quality or order in the development that will follow. The communities likely to be affected most--Hay River, Fort Simpson, Norman Wells, Inuvik, Tuktoyaktuk and Yellowknife--have all been planed as relatively small, contained-growth (5% annually) communities; all have been growing faster than allowed for and all have come to the end of their easily-developable land and the capacity of their water and sanitation systems. All are in permafrost or discontinuous-permafrost where land-fill projects take two years to complete, if done properly, and where water and sanitation systems take more than an ordinary degree of planning. By that time, too, competition for heavy equipment and contractors having Northern experience will be extreme, for the pipeline operation is



expected to swallow all known capacity. This may lead to a series of municipal break-down points if orderly physical development is not in hand well before the pipeline construction starts.

The sort of development I am talking about, and the costs attached to them, are shown in an Appendix to this Paper. Since this would be a dull litany, except for those who enjoy such things, I shall only mention the salient figures now. These costs are the infra-structure costs attributable to the pipeline activity and amount to about 2/3's of total development costs--since these communities are expanding in any case, pipeline or no.

Inuvik.....	\$25,700,000
Norman Wells.....	7,400,000
Fort Simpson.....	17,500,000
Hay River.....	23,100,000
Yellowknife.....	<u>19,600,000</u>
For a total of	\$102,400,000

While capital assistance given to municipalities in the North is generous compared to that given in the South, it tends to be off-set by higher costs and a lower tax base. Also there is still a high degree of transiency and rootlessness in Northern populations and this makes for an unreadiness to assume high debt loads. A sense of identity and responsibility is growing and should be encouraged, not forced, or relapse will occur; particularly if a feeling of injury develops from citizens' conviction that they are being asked to assume an unfair proportion of exceptional-growth costs.







It would be conceivable to finance the expansion of the municipalities mentioned through the normal routes and provisions of municipal finance, but this course would have some undesirable limitations. If a municipality feels itself hard-pressed financially, it will try to bring costs as low as possible and there will be a temptation to take short-cuts--for example, inadequate depth of gravel, incomplete coverage, insufficient drainage, poorly prepared roads, lack of sidewalks, water and sanitation provisions designed for immediate needs without provision for expansion, and a general lack of comprehensive planning. If we are to encourage as far-sighted and orderly a growth, as is possible under the circumstances, I believe it is essential to assist the communities financially to a greater extent than normal during the period of time that their needs are abnormal. Such participation will also give us more effective control of physical development and greater assurance that environmental concerns will be met, for our experience is that it is more often in the municipal than in the commercial or industrial fields that environmental damage or pollution occurs. The most important areas are site-development, housing, water and sanitation, recreation, and roads; airports are also important, but this area is perhaps sufficiently in hand through application of the Northern Airports Policy.

It is only fair to say that the Federal Government has shown itself to be understanding of such needs and is funding considerable expansion of water and sanitation facilities down the Mackenzie at the moment. My previous remarks, however, are a caution that much remains to be done and of an order of expenditure considerably greater than what has



been found acceptable so far. In areas normally the responsibility of municipalities such as site development--since costs can be recovered in due course by land sales and leases--assistance may be needed because of the long lead-time necessary in preparation and the uncertainty as to when, and even if, the industrial development will take place. This could be afforded by deferred debentures, whereby the risks attached to unexpected delays would be underwritten by the Federal Government rather than the municipality.

Up to this point, I have been talking largely of expenditures and acknowledging the need for increased financial support through the normal Department of Local Government channels during the phase of expanding municipal infrastructures. There is also the question of where this money is to come from, that is to say the revenues to be collected by the Territorial Government as well as increased funding by the Federal Government.

The major fiscal revenues to be drawn from a natural gas pipeline come from royalties and the Applicant's income taxes, both fields being in Federal rather than Territorial jurisdiction. The major source available to the Territorial Government is the property tax assessment of pipelines, compressor stations and gas plants. At the existing tax rate of 25 mills, estimated revenue from the pipeline alone is \$1,414,500; insufficient detail is known of the ancillary installations to make a reliable estimate of tax return, but it would probably be in the order of \$500,000, thus making a total tax return to the Territorial Government of about \$2,000,000 annually. We would plan to assess and to apply



this property taxation accordingly.

The final matter I would like to mention is the attractiveness to communities of the supply of natural gas, where this can be delivered and distributed cheaper than oil, in allowing reduced costs for public utilities, municipal services, home heating, and local industry.

Mn. Commissioner, I have given you an outline of the functions of my Department and have suggested some considerations that may be of interest to you in the setting of the terms and conditions to govern the building of a pipeline in the Mackenzie Valley. In summary these are:--

- a. encouragement should be given to local councils and planning bodies in the form of staff, facilities and funding to enable them to discuss their purposes, problems and ideas in relation to the pipeline; and their advice should be incorporated in the plans and operations of Government and industry wherever possible;
- b. expansion of municipal infrastructure in the form of serviced land, municipal services and public utilities, and recreational facilities should be undertaken before the start of pipeline construction;
- c. increased financial support should be given to municipalities through the normal local government channels during the phase of expansion of municipal infrastructure; and
- d. action will be taken to assess and tax pipelines, compressor stations and gas plants.





If I or the principal officers of the Department can be of further assistance to you, we are at your service.













mental health/canada

"TO ENSURE THE BEST POSSIBLE CARE .....  
TO PROTECT AND PROMOTE MENTAL HEALTH"

a paper submitted to

THE HONOURABLE JUSTICE T. BERGER  
Commissioner  
MacKenzie Valley Pipeline Inquiry  
Yellowknife, Northwest Territories

Summer 1976

by

John K. Clayton, M.D., C.M., F.R.C.P.  
Professional Director  
Canadian Mental Health Association





"TO ENSURE THE BEST POSSIBLE CARE .....  
TO PROTECT AND PROMOTE MENTAL HEALTH"

a paper submitted to  
THE HONOURABLE JUSTICE T. BERGER  
by John K. Clayton, M.D., C.M., F.R.C.P.<sup>1</sup>

Judge Berger. Thank you for giving me the privilege and opportunity of appearing before this Enquiry. I hope that what I bring may be helpful to you.

As a Canadian from Burlington, Ontario, I bring no northern experience or knowledge. My basic training and experience is in the treatment of people labelled as '*mentally ill*'. In addition, during the past five years particularly, I have been involved in the study of '*mental health service delivery*' and in study of the much broader '*mental health field*'.

With this background I bring comments on the nature of mental illness, and on the principles involved in planning effective treatment and rehabilitation services. I will also comment on certain aspects of programs which protect and promote the mental health of people and communities.

The brief submitted by MENTAL HEALTH/NORTHWEST TERRITORIES has commented on all three. I will be supporting and illustrating

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<sup>1</sup> Dr. Clayton was employed as a physician and psychiatrist with the Ontario Ministry of Health from 1953-1970. Since 1971 he has been Professional Director of the Canadian Mental Health Association. In 1973-1974 he participated in a Federally funded study of Canadian mental health "problems" and "practices" and the various systems of delivery of mental health services in Canada. He is also a member of the Working Group on Mental Health Aspects of a Comprehensive Health System, a group reporting to the Federal Provincial Advisory Committee on Community Health.



some of the points and recommendations already made. I have one additional recommendation that I will underline: Old models must not be transplanted. Different communities and different problems need completely different approaches and programs.

But first, as introduction, I will begin by expanding on the terms '*mental illness*' and '*mental health services*'.

There are a host of conditions and problems lumped together under the label "mental illness". Some are illnesses, rooted in man's biology, his physical make-up. Some of these have a similar incidence all over the world. Others, in the language of Lalonde's White Paper on 'NEW PERSPECTIVES ON THE HEALTH OF CANADIANS',<sup>2</sup> are more related to a man's lifestyle and environment than to his biology. Suicide attempts and the illnesses where alcoholism contributes to the cause are usually considered in these latter categories. (Both of these are responsible for a high proportion of admissions to mental health facilities<sup>3</sup>). Thus people in the mental health professions become involved with the patient's family, occupational, social and cultural problems. The stress in these areas of living which causes many 'illnesses', 'breakdowns', or 'casualties' may be a sudden and unexpected crisis or it may be long-term and chronic in nature.

Thus the brief of mental health/northwest territories concerns itself with much more than specific biologically rooted

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<sup>2</sup> "A New Perspective on the Health of Canadians" - A Working Document by the Honourable Marc Lalonde, Minister of National Health and Welfare, April, 1974.

<sup>3</sup> Mental Health Statistics, Vol. III; Statistics Canada, 1973.



'illnesses' (which handicap perhaps 3% of the population). Its concern is much broader, and includes as you have heard, things like family breakdown, alcoholism, juvenile crime, suicide rates, the dependency of the aged, and other human problems. For many who need help, the term '*casualty*' describes the condition better than the word '*illness*'.<sup>4</sup>

For the same reason '*mental health services*' while an integral part of '*health care services*', can no longer be planned separately or simply as a component within the health care system. They encompass, or more correctly, must be part of a wide range of health, social service, educational and correctional services.

Let me quote briefly some outstanding recent reports, studies and projects which illustrate this:

The Celdic Report in 1970 focussed on children's mental health services. It illustrated the folly of labelling children and of establishing separate facilities and empires, be they for emotionally disturbed, the children with specific learning disorders, or the child caught up in the juvenile correctional systems. I append its very readable first chapter.<sup>5</sup> Separate systems can too often confound the problems. Families are passed from agency to agency. This report describes how mental health professionals serve best not as the primary therapists

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<sup>4</sup> "*The Procrustean Bed*", Section I of "*Adaptive Planning*". A Report published by The Canadian Mental Health Association. Research Director: Norman W. Bell, Ph.D. Funded by Health and Welfare Canada, June 1975.

<sup>5</sup> "*One Million Children*" - by the Commission on Emotional and Learning Disorders in Children, June 1970 (copy of Chapter I appended).





but as 'back up' consultants to the community's natural systems. It confirms the fact that parents and teachers are the first and most important helpers. In 1971 Brian Brett's article on Mental Health Care for Children<sup>6</sup> also addressed the importance of education policy. He saw in the school curriculum the promise of change. Like Glasser he hoped for a system which would not create 'losers' and 'failures'. In 1971 Quentin Rae-Grant's study<sup>7</sup> of mental health facilities for children described some abysmal, isolated and destructive settings. *That study is living proof that old models must not be transplanted.* It also convincingly describes some of the principles that dictate the planning of effective treatment and residential programs for children with emotional disorders. For your information I have also appended a 1974 American article on Issues and Approaches in Child Psychiatry.<sup>8</sup>

MENTAL HEALTH SERVICES MUST BE AN INTEGRATED  
PART OF ALL HEALTH AND HELPING SERVICES

The over-riding importance of the integration of all helping services is also illustrated in the recent report to the Solicitor General on Young Persons in Conflict with the Law.<sup>9</sup> This

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<sup>6</sup> *Mental Health Care for Children of the Western Arctic. Canadian Journal of Public Health, September/October 1971. (Photocopy appended).*

<sup>7</sup> *Children in Canada in Residential Care. Quentin Rae-Grant/Patricia J. Moffat. Canadian Mental Health Association, 1971.*

<sup>8</sup> *Issues and Approaches in Child Psychiatry. Journal of Hospital and Community Psychiatry. February 1974. (Photocopy appended).*

<sup>9</sup> *Young Persons in Conflict with the Law. Solicitor General. Canada, 1975.*





Canadian report emphasizes the indispensable requirement for planning to be on a local and community basis with the local and community resources.

I choose to give it special mention for three additional reasons. It convincingly describes the finding that courts deal with emotionally disturbed youth who are not served by other helping services. It illustrates the importance of mental health services. It describes the necessity to divert young people away from costly and often damaging correctional processes into more relevant helping processes. Successful '*diversion*' depends on wise use of a host of local resources.

In expanding on the nature of mental health services thus far I have stressed the over-riding importance given to their planned integration with other health and social services, and where children are concerned, with the educational system. My examples also stress the importance of the family and 'natural' helpers, and the necessity for local participation in the planning and operation of these services.

#### INTEGRATION AND EFFECTIVENESS DEMAND LOCAL PARTICIPATION IN PLANNING AND CONTROL

Several provinces have moved a considerable way in developing models for community and regional participation and for local integration.

As examples: In Ontario the Mustard Report<sup>10</sup> describes

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<sup>10</sup>Report of the Health Planning Task Force. Ontario, 1974.



in detail a plan to ensure local decision-making. This is a 'health care' plan. You are undoubtedly familiar with British Columbia's pioneering in terms of local Human Resource Councils, with Quebec's Community Service Centres and with Manitoba's Single Unit Delivery System.

Jacques Pigeon of Quebec has made a very clear statement illustrating the importance of integrated services.<sup>11</sup> I quote it now because my earlier references concerned children's and youth services. The same principle applies to all ages.

"In our community centres, we see a health team approach - not a *mental* health team. The multi-disciplinary group should give all primary care, with the psychiatrist viewed as a consultant ...

*"What can a psychiatrist do for an unemployed father of six who has bronchitis (probably because of poor living conditions) and is deeply depressed? Is this a mental, physical or social problem? You know the answer. It is all three."*

I also live in an area of Canada where local participation is urgently needed. Local planning must not be by professionals only. Consumer participation is essential<sup>12</sup>. Where many of the consumers are of or from a different culture the evidence that '*old models don't work*' is again convincing.

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<sup>11</sup> *Why the Wagon Creaks and Groans. A Report of the Conference on Mental Health Services in Canada. Canadian Mental Health Association, 1976.*

<sup>12</sup> *Why the Wagon Creaks and Groans. (This same Report describes many aspects of the consumer participation that is essential).*



I quote from the Canadian Journal of Public Health and an article on the Health of Indians on the Hudsons Bay Railway:<sup>13</sup>

"The fact that these people have poor health, poor hygiene and poor health care despite the available facilities implies that the fault lies within the 'SYSTEM' for the delivery of health care, including health education."

Thus there is overwhelming evidence supporting local and consumer participation in the planning and delivery of services. The other side of this coin is the accepted principle that the person needing help can best be served in his or her own community by those who know and can understand the personal, family, social, occupational and cultural stresses that must be overcome. For too long northerners were shipped south. (By the same token, as a transient in Yellowknife I hope I may be helped safely home to Burlington for treatment and rehabilitation if I become a casualty before the day is over<sup>14</sup>).

Most of all, PRIMARY PREVENTIVE PROGRAMS ARE NEEDED IN MENTAL HEALTH.<sup>15</sup> This is the title of an article by Gottlieb describing some such programs in his corner of Canada. A photocopy is appended. Like models of 'mental health services' I expect you will agree that these programs should not be transplanted to this region and this

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<sup>13</sup> *Health of Indians on the Hudsons Bay Railway. Canadian Journal of Public Health. January/February, 1973.*

<sup>14</sup> *This refers to Recommendation #4 in the brief presented by mental health/northwest territories, to Justice Berger.*

<sup>15</sup> *Primary Preventative Programs are Needed in Mental Health, Gottlieb. Journal, Canadian Welfare, January/February 1976 (photocopy appended).*





culture. But the principles of community involvement, of parental involvement and of the school's involvement are clearly the recipe for success in locally designed and relevant projects.

(By the way, this article is taken from the same issue of 'Canadian Welfare' which published the article "CREATIVE LAW IN THE NORTH" by Connie Hunt).

Preventive programs which enhance the mental and social health of communities, can take many forms. In concluding let me illustrate this by enlarging on other comments made in the brief from mental health/northwest territories.

A specific problem in all of Canada, is alcoholism. Currently there is considerable Federal thrust. We've been hearing about a new public education program designed for all of us and the possibility of further restrictions on media advertising by the alcohol industry. For some time the NON-MEDICAL USE OF DRUGS DIRECTORATE has been in the field Federally as have many provincial and governments and the Northwest Territories' authorities.

The Association brief describes possible future problems that *"will range from alcohol abuse to nutritional difficulties"*. One is reminded of the article by Jerry McLeod (A Saskatchewan Status Indian) and Stanley Clark (a sociologist) which begins with this sentence.<sup>16</sup>

"The story of alcohol abuse and the native peoples of this continent is one of manipulation, high pressure, salesmanship and deceit".

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<sup>16</sup> Native Alcohol Use. Journal, Canadian Welfare, September/October, 1974.



After some alarming statistics and a discussion of the theories, it goes on to emphasize 'We are what we eat' and ends with these sentences:

"The most promising course would be one that combines proper diet, vitamin supplementation, and reduction of stress ... The most difficult aspect of this treatment is minimizing stress because it involves more than the individual and doctor. It involves the entire social system, dominant group attitudes, and the cultural reintegration of native people ..."

One can describe a statement such as this as an example of a well established rule. Preventive programs in the mental health field are not like those for small pox. There is no vaccine that protects mental and social health. Almost invariably the workers must influence lifestyles and environment, and in all parts of this continent one can find examples of programs where the social system itself has become the only practical place to start.

This conclusion is shared by Ron Draper, Director of *'The Non Medical Use of Drugs'* in Ottawa. In one of the publications of that Directorate, they describe how priority had been given to the alcohol related problems of:

- motor vehicle accidents
- work problems
- assault
- suicide
- family disruption
- chronic health problems<sup>17</sup>

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<sup>17</sup> *Epidemiology of Drug Use and Its Consequences.* Irving Rootman Ph.D., Research Bureau, Non Medical Use of Drugs Directorate. Health and Welfare Canada, June, 1976.



But the many projects across Canada aimed at such specific problems and monitored by the Directorate, almost inevitably lead the workers into community organization methods and into an attack - through community arousal and community programs on the problems not of alcohol alone, but of social structure, unemployment and stress.

Another aspect of preventive programs is that of public education. The brief speaks of '*broadly based education activities*'.

(One is reminded of the words of Magrowski and McPhail: "The potential of the mass media to inform, educate and motivate should not continue to be wasted and abused, rather it should be utilized as an integral part of a system designed to deliver better health care."<sup>18</sup>

One is also reminded of Ontario's Commission on Violence in the Communications Industry<sup>19</sup> and the alarming evidence that WE ARE WHAT WE SEE AND HEAR ..... "People's attitudes and perceptions often conform to television depictions, even if they are a distorted image of reality."

These two quotations illustrate the importance of the media in educational activities and in preventive programs. Earlier in this paper I stressed the importance of community and parental participation. Again local authority and decision-making is essential.

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<sup>18</sup> *The Role of Radio and TV Spot Announcements in Public Health Education. Canadian Journal of Public Health, September/October, 1975.*

<sup>19</sup> *Interim Report. The Royal Commission on Violence in the Communications Industry, Ontario, January 1976.*





In its description of the degree of local participation recommended in terms of the mental health services in the Northwest Territories, the Association brief states: "The present system, which seeks only 'native input' into service delivery would take a fundamental shift, that being to a 'professional input' into native service delivery."

This same principle can be applied to preventative services.

Your honour, I have added little. I hope I have helped to confirm the soundness of the recommendations made to you by the citizens who comprise mental health/northwest territories.

Again, thank you for the privilege of bringing these comments to this hearing.

They can be summarized this way:

A remarkable opportunity belongs to the people of the Northwest Territories. Do not transplant southern service models and methods. Some southern systems work. More don't.

Local people, local traditions, local resources, local authority and local planning are the essential ingredients for both effective services and preventative programs.

The brief from mental health/northwest territories forecasts the danger of ESCALATING problems. When your hearings end may your final recommendations ensure minimal escalation, ensure that the casualties receive the best possible care ... and more ... may your recommendations protect and promote mental health in this part of Canada.





# CURRICULUM VITAE

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John K. Clayton  
born in Saskatchewan 1927

Single.

## UNIVERSITY TRAINING

M.D. C.M. Queens University	1951
followed by internship at Kingston General.	
Diploma in Psychiatry University of Toronto	1955
Certification with RCP, Canada	1956
.FRCP (by grandfather clause)	1972

## EXPERIENCE

Joined the Department of Health	1952
Ontario Hospital Kingston	1952-53
T.P.H., The Wellesley General and the Mental Health Clinic	1953-55
Queen Street M.H.C.	1955-1968

(In 1956 he became 'chief of  
female services; then a 'unit  
director' when Units were est-  
ablished, and in 1967, 'Chief  
of the Western Service' when the  
principle of catchment was adopted)

Hamilton Psychiatric Hospital	1968-71
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Initially as "Director Community  
Services", he was also consultant  
to the Rehabilitation Unit and  
in 1970 acted as a Unit Director  
for the unit serving the core city  
(pop. 90,000)

Canadian Mental Health Association	1971-present
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Professional Director and  
Executive Secretary of the National  
Scientific and Planning Council

## UNIVERSITY APPOINTMENTS

University of Toronto, Department of Psychiatry Clinical Instructor (appointed as Clinical Associate during his final year in Toronto)	1956-68
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McMaster Department of Psychiatry Lecturer	1968-70
Assistant Professor	1971



## PROFESSIONAL ACTIVITY

In the late 1950's he served for two years on the Executive of the District Branch of A.P.A.

In the 1960's he served for five years on the Council of the Section of Psychiatry of O.M.A.

Since the early 1960's he has been active within O.P.A., first as a member of the Program Committee, then as a member of the Council, as Chairman of the Section of Community Psychiatry in 1970 and as Secretary from 1972-1975.

Now on Council C.P.A.

President of Ontario Psychiatric Association - 1976/77.

## COMMUNITY ACTIVITY

The current priorities of the Canadian Mental Health Association have now greatly increased his participation in community activities directed toward social change. He works with several national agencies, is a member of many governmental and community committees. The tasks range from matters directly related to patient care, to law reform pursuits (sometimes undertaken with the Canadian Criminology and Corrections Associations), from the rehabilitation of patients within the community (he is a member of the Canadian Council of Rehabilitation Workshops, a new group which has recently developed guidelines for these services) to public education (he is a member of the Editorial Board of Canada's Mental Health).

## RESEARCH ACTIVITY

In 1974 he worked with Professor Norman Bell in a project called 'Adaptive Planning' funded by Health and Welfare Canada. The aim was to provide an over-view of Canadian trends in the planning and provision of mental health services.











mental health/northwest territories

CANADIAN MENTAL HEALTH ASSOCIATION BOX 2680 YELLOWKNIFE NWT X0A 1H0 PHO (416) 273-0190

PEOPLE and the PIPELINE

March 1976

a statement submitted to

THE HONOURABLE JUSTICE T. BERGER  
Commissioner  
Mackenzie Valley Pipeline Inquiry  
Yellowknife, Northwest Territories

September 1976

T.G. Forth, President



Mr. Berger, before getting into the substance of our presentation I would first like to explain briefly the objectives and programs of Mental Health/N.W.T. and inform the Inquiry about the composition of our organization.

The Canadian Mental Health Association, Mental Health/N.W.T. is one of the first and is the only territory-wide voluntary organization whose major concern is the problems of the mentally ill in the Northwest Territories. In 1971, concerned citizens in Yellowknife became alarmed at the increase in mental disorders, marital breakdown, juvenile problems, suicides and a complete lack of mental health services to prevent and treat these problems. A steering committee was formed and the Canadian Mental Health Association provided the initial financial support and expertise in the creation of our present organization.

Mental Health/N.W.T. was incorporated as a Society on September 8, 1971. The objectives of the organization, as stated in our charter are:

" to ensure the best possible care, treatment and rehabilitation of the mentally ill and the mentally disabled; to strive to prevent mental illness and mental disability; to promote research into the causes, treatment and prevention; to protect and promote mental health, and in execution of the foregoing to secure the support of the public and to co-operate with other agencies and associations, both professional and lay working in these and related fields, and to urge governments at all levels to take legislative and financial action to further these objectives. "

In the five year history of our organization some of the activities and programs we have been associated with include:



- a review of the N.W.T. Mental Health Ordinance with a view to the creation of a more effective piece of legislation.
- the formation of an Interagency Committee in Yellowknife to focus on the need for the co-ordination of facilities and joint adaptive planning.
- sponsorship of a seminar for delegates from across the Territories on the topic of 'People and the Pipeline' in September 1975.
- publication of a directory of community services available throughout the Territories.
- Project Mental Health North of 60 Study, a survey of the mental health of selected Territorial residents.
- the operation of the HELP Distress Centre, a crisis intervention, suicide prevention, information and referral program.

The registered membership of the Association is approximately 200 and our Board of Directors is representative of the various ethnic groups in the N.W.T.

A Committee of concerned Mental Health volunteers collaborated in assembling the submission we are making today. We would now like to take this opportunity to thank the Inquiry for providing us with a grant which was utilized by our organization in sponsoring 'People and the Pipeline' - a conference held last Sept. in Yellowknife. This conference was attended by a large number of members and interested people from across the Territories. Professionals experienced in developments similar



to the Mackenzie Valley Pipeline joined us from ~~from~~ Alaska and Fort MacMurray. Many of the points raised in our submission today were discussed at this conference. We would also like to thank the Inquiry for making funds available to bring in our expert witnesses who will testify following.

To us in the Association, Sir, Mental Health is far more than simply the absence of mental illness. Mental Health refers to a quality of life, one which is salutary and fulfilling, and one in which the stresses and pressures which can lead to the occurrence of mental illness are generally within the control of the individual and the community. We believe that the construction of the MacKenzie Valley Pipeline has the potential to provide several beneficial developments for the residents of the Territories. It also has the potential to seriously erode many of the conditions which lead to 'good' Mental Health. The purpose of our presentation today is to identify both the beneficial effects and those with disruptive potential and then to set forth our recommendations for mitigating those conditions which could lead to a diminished level of mental health.

As we see it, the positive effects of this development are those which will improve the capacity of individuals to exercise choice over their own lives and to significantly influence the environment in which they live. Conversely, the negative effects on Mental Health will occur to the extent that the Pipeline reduces this choice and thrusts unwanted development upon our residents.

The following are some of the positive effects which might occur during and following hydrocarbon development and the construction of the pipeline:

1. Hydrocarbon development should lead to improved economic climate in the Northwest Territories, both within and





outside of the petroleum industry. This should result in increased career choices becoming available for the people of the Territories and a better potential will exist for our populations' vocational needs to be met.

2. During the Development period, more and better services of all types will become necessary in many communities and quite possibly will be made available. Improved services could develop in many sectors - improved recreations, more readily available consumer items, increased social and health services, improved mental health services and facilities are examples.

3. Transportation and communication facilities will improve.

4. Energy may become available at a more reasonable cost.

5. The developing economic infrastructure may lead to an improved tax base thereby creating the opportunity for increased economic and political control on the part of residents over both the total territories and over their own communities.

6. The great expectations for these improved conditions which has been created over the past few years will have the opportunity of being met.

At the same time as these benefits unfold, Sir, we know that the traditional scenario of rapid development has had many pitfalls when it has occurred in other places throughout the world. From the experience in Alaska and in other developing areas we anticipate that the Territories will experience many growth related problems which in their total effects could prove



devastating from a Mental Health standpoint. With the pipeline timetable being what it is, we expect the development of a housing shortage of unprecedented magnitude. As you may know, the situation is critical at present without the demand of hundreds of job seekers. Overcrowding is a definite contributor of mental health problems and at the present time appears certain to increase.

The increased demand for housing, goods and services, will lead to additional inflation within the Territories and we expect that people on fixed incomes and pensions who do not seek the high paying hydrocarbon jobs will be seriously affected. A great increase in the per capita income is expected for many, but in the past this has been a mixed blessing in the Territories, as a large amount of the disposable income finds its way to the liquor outlets and the attendant problems with alcohol abuse inevitably follow.

The experience in Alaska, and to a degree in the N.W.T., has been that social problems escalate with these products of development. Family breakdowns will increase as over-crowding, alcoholism and work patterns develop where one or both parents are away from home for lengthy periods of time. Incidence of juvenile crime, child neglect and abuse have risen dramatically in Alaska and in all probability will do so here with the increased pressures on the family. The suicide rate in the Norton Sound Region of Alaska rose from 10 per 100,000 population in the period 1960-64 to 270 per 100,000 in 1973-75, and we can anticipate a serious rise in the Territories as additional and new stresses are placed on the individual. We are informed that there are already signs of such an increase. All of these problems will contribute to an increasing demand for social services which in many communities are already overtaxed and understaffed.



The rapid influx of southern job seekers and transients will create many additional problems. An undesirable element can be found in any such group and we are concerned about the consequences of the increased utilization of drugs, a rise in gambling, petty thefts and prostitution, which are sure to occur as they have in Alaska.

The native people will be particularly hard hit by these events. The financially attractive hydrocarbon jobs will promote a shift from the subsistence economy to the wage economy and during the transition period problems will range from alcohol abuse to nutritional difficulties. Communities will increase in size and the traditional native methods of sharing with and assisting one's neighbour will decline with increasing impersonalization. The competition of hydrocarbon jobs will contribute to a leadership drain as the more capable community members are lured into high paying jobs. Essential services such as those provided by municipal governments and the native organizations will be hard pressed for manpower. We anticipate that racial tensions will escalate as the native people are increasingly pushed into a minority situation.

Many of the goods and services which people expect will become available, at least during the rush to develop will be in short supply due to excess demand. There will be short run transportation difficulties as present shipment priorities are changed. It is conceivable in places such as Inuvik, Hay River and Yellowknife that schools will be forced to operate on shifts, as has been the case in high impact centres in Alaska. Children will be forced to cope with a new lifestyle, but cannot reasonably be expected to do so without some adjustment difficulties. Health personnel and facilities will have additional workloads as the rise of communicable diseases, notably venereal disease, increases, and industrial accidents require increased attention.





For many persons in the Northwest Territories, the quality of life which was desired in making their homes here will be lost as the congestion, noise and pollution of southern Canada accompanies development.

Mr. Berger, in asking ourselves the question ' How can these undesirable effects of development be prevented? ', we invariably return to our fundamental premise that good mental health is likely to be present in a situation where people have reasonable control and choice over their own lives, and the ability to significantly influence the environments in which they live. It is truly unfortunate that the residents of the Territories have not had the choice of determining by referendum whether a pipeline should be built. While recognizing that this central question is not within the mandate of the Inquiry, we feel obligated to say that this basic choice should be open to us.

We are also obliged to speak to a mental health problem which is attendant to this Inquiry. In spite of your efforts we believe that excessive expectations have become attached to the Inquiry, and that considerable misunderstanding exists about the terms of reference under which the Inquiry was to proceed. A great many people believe that the Inquiry will have influence beyond setting limits and conditions upon which the pipeline construction. We have serious concerns about this process, particularly if it happens that some of your recommendations are disregarded. We hope and trust that the many people who have come forward to address the Commission are not put in the position of discovering that what they believed to be influence was in reality only illusion.

Mr. Berger, Mental Health/N.W.T. first urges you to recommend the settlement of land claims prior to the start of construction on the MacKenzie Valley Pipeline. The land claims are central to the aspirations of the native people of the N.W.T.



and the attainment of an equitable settlement is indispensable to the good mental health of all Territorial people.

Second, the Association is of the opinion that the existing timetable for the commencement of pipeline construction is inappropriate and furthermore the period of time allotted for construction is entirely too short to allow people to accomodate themselves to the speed of changes which will take place. Our position is that if the present timetable is accepted as given, it would be a lesser evil to have the entire operation conducted in complete isolation of the people and the communities of the Territories, than to experience the impact it would otherwise bring. Figuratively speaking, the best condition in this eventuality would be the construction of a fence around the entire operation. We recommend instead, Sir, that a moratorium of two years be set aside between the date of approval to build and the actual start of the clearing and staging operations preparatory to construction. During this moratorium, government and the people would have the opportunity to seriously prepare for the development, and to undertake various preventive programs. We further recommend that the construction phase be extended from its present time table to a minimum period of five years. It is our belief that a great deal of the destructive impact can be lessened by adopting a timetable which allows for orderly less rapid development.

Mr. Berger, a number of additional measures will be required of Government to preserve and promote the Mental Health of Territorial residents.

1. We urge you to recommend that Health and Welfare Canada transfer responsibility for all Health Services to the Government of the N.W.T. Bringing the authority and responsibility for Health Services home is vital to the provision of an effective and responsive physical and mental health programs.



2. The shortfall in Mental Health services and facilities must be addressed immediately, and a residual capacity must be included to provide for the additional demands created by development. The planning and creations of facilities and services would take all of the time which the moratorium would provide.

3. We recommend that the Council of the Northwest Territories put in place A Community Mental Health Ordinance, modeled on that which is in force in Alaska. This legislation should create a separate Division of Mental Health Services within the Territorial Government, to ensure that a continued and high priority is placed in the mental health area. The legislation which we advocate would vest the responsibility and authority for the development of mental health services in the communities. The legislation would provide for liberal funding to enable community groups and organizations to design and operate broadly based adult education activities, preventive and remedial mental health services, and so forth. Predominantly native communities would undoubtedly employ people who spoke their language and were familiar with local mores and traditions. The present system, which seeks only ' native input ' into service delivery, would take a fundamental shift, that being to a ' professional input ' into native service delivery. An additional part of this locally based system of mental health services would be a central reporting and information system to enable a quick response to problems arising in a given area.

4. Mental Health facilities in southern centres, particularly Edmonton and Calgary, must be improved to accomodate and treat transients and pipeline workers who will be subjected





to stresses as well. As a general principle we believe non-residents should be provided with services outside the Territories near family and friends.

5. Measures must be taken by government to discourage transients from entering the Territories in search of pipeline jobs. An extensive public education program was met with some success in Alaska and should be conducted in Canada as well.

6. Various governments, in training Northerners for hydrocarbon jobs, should offer training program only for those skills which are applicable in the operations phase. The possibility of a ' bust ' following the construction ' boom ' must be minimized.

7. We urge you to recommend that law enforcement and security be done either by the R.C.M.P., or under the direction of the R.C.M.P., within and outside the camps. We believe this is central to the maintenance of order and justice during the development.

8. Persons on fixed incomes must be protected by government. We recommend the creation of an indexed guaranteed income for persons on fixed incomes.

9. Governments must provide additional money to organizations delivering essential services to ensure that they are able to keep salaries competitive with hydrocarbon jobs.

In addition to these recommendations for Government, Sir, we recommend that you consider the following terms for the





companies and their immediate contractors who will be participating in the development.

1. The companies must consult with the communities before final decisions are made concerning the siting of camps and staging areas. Community councils must have the right to specify whether, and under what conditions, camp personnel may visit particular communities.

2. The companies must make provisions for screening out undesirable southern employees and persons who might have difficulty adapting to the northern working environment. In this regard the psychological and medical testing used for DEW Line personnel might be a model for application. Southern hires should be provided with an orientation program to ensure they have a sensitivity to the way of life in the N.W.T., prior to taking employment.

3. Local hires must be given preference in the construction phase jobs, where skills acquired might be transferable to the operating phase.

4. An obligation must be placed on the companies to 'blue ticket' southern employees who leave their employment or are fired.

5. The companies should provide an orientation program for locally hired people to ensure they are aware of the working and living conditions they will face in pipeline camps.

6. Rest and Recreation periods must involve the mandatory repatriation of the worker to his point of hire, whether that be within or outside the N.W.T.



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## CURRICULUM VITAE

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### EDUCATION

Primary and secondary education - Toronto; graduated from Sir George Williams University, Montreal, Quebec 1964 Bachelor of Arts Degree; Diploma in Association Science 1965 Sir George Williams University; Certified as a Y.M.C.A. Secretary 1966.

### WORK EXPERIENCE

April 1964 - January 1968 - Montreal Y.M.C.A. assigned to Lakeshore, West Island and Lachine-Dorval branches with primary responsibilities for community program development.

February 1968 - March 1970 - Government of Canada, Department of Indian Affairs - Keewatin Regional Superintendent of Adult Education - Churchill, Manitoba.

April 1970 - June 1971 - Government of the Northwest Territories - Department of Education, Keewatin Regional Supervisor of Continuing and Special Education - responsibility for adult and vocational education programs.

July 1971 - December 1971 - Government of the Northwest Territories - Department of Education, Inuvik Regional Supervisor of Continuing and Special Education, Inuvik, N.W.T.

December 1971 - May 1975 - Government of the Northwest Territories - Department of Local Government - Yellowknife, Chief of Employment - responsible for establishment of Division's programs and policies.

June 1975 - present - Government of Canada - Public Service Commission - Yellowknife, N.W.T., Director of Northern Careers.

PUBLICATION - MacKenzie Valley Development - Some Implications for Planners - Study Director co-author with Parkins, Brown, Feeney.

ASSOCIATION - Canadian Mental Health Association; National Board Member and President, Northwest Territories Division, 1975-76 and 1976-77.







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## mental health/northwest territories

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### PEOPLE and the PIPELINE

a statement submitted to

THE HONOURABLE JUSTICE T. BERGER  
Commissioner  
Mackenzie Valley Pipeline Inquiry  
Yellowknife, Northwest Territories

September 1976

by

Jack G. McCombs  
Regional Supervisor  
Division of Mental Health  
State of Alaska  
Dept. of Health & Social Services



As an eight-year resident of Fairbanks, I have personally and professionally experienced two "boom" periods; the oil "discovery boom" of 1968 and 1969 and the "construction boom" beginning around 1972, which of course, continues.

It is my intention today to speak to only some of the clearer social, psychological, and systems effects of rapid population growth, the kind you may expect if a pipeline is built in the Mackenzie River Valley. Having visited Yellowknife and the Northwest Territories approximately one year ago it became apparent that there were many striking similarities between our respective situations, but by the same token there were some significant differences, of both a disturbing and reassuring nature.

Similarities: Size, relative lack of development, "frontier" character, divergent life styles and value systems between native and white, lack of consensus about pipeline and its effects, feelings of impotence regarding decisions about pipeline, beginnings of polarization in Yellowknife about pipeline issues, etc..





Differences: Decision making power re: pipeline one step further removed from the people than Alaska, communities are of relatively smaller size and hence lack sufficient "elasticity" to absorb inordinate sudden growth, fewer adjacent or accessible "fall back" communities to absorb population that pipeline corridor communities can't, the lack of an historical "boom orientation" or mentality (may be incorrect about that particularly in respect to larger communities) etc.

One of the greatest differences is this Inquiry, which is providing opportunity for input of a wide range, not just that which is politically and economically expedient. This provides an opportunity for reflection, an inspection and appreciation of various value systems, and planning.

Those of you aware of the Alaska situation in the early 70's will recall that planning for pipeline construction contingencies was extremely difficult. Part of this was due to the privacy of the negotiations between the pipeline companies and the State. Much of it was due to the State's apparent reluctance to plan for (and thereby acknowledge) negative social impact in the face of growing opposition to the pipeline.

Manpower projections and timetables were so contradictory from day to day that they were useless as planning data. What few



baseline planning figures that were provided by government were contradicted by the pipeline companies. Little information was available beforehand regarding what types of social or medical services would be provided directly by contractors and how much reliance would be placed upon the public sector, etc.

Perhaps the most galling phenomenon to many was that expressions of concern about social impact and human values were met by smiling, rosy commentaries about the economic future of the state, tax bases, employment rates, etc., and completely ignored the issue of human values and such basic questions as why we live where we do and in the way we do. Granted, these issues are by definition individualistic and lack the quantification of projected mill rates, etc., but values are "real" phenomena, certainly the most "real" part of any of us.

Against the background of vague and/or contradictory data from both the pipeline companies and government, this "economic" approach to human value questions fostered a growing sense of resentment, mistrust and apprehension that was further accelerated by ineffective efforts to plan for the social contingencies of rapid population growth. In this climate pipeline construction began, and within a few short months: (The following phenomena were observed personally and/or



professionally or obtained from data compiled by the Fairbanks North Star Borough Impact Information Center and included in their official public reports.)

No "positive" or "negative" value is placed on the following phenomena, and many are empirically related though demonstrating a cause and effect relationship is impossible. Many of these seemingly result simply from sheer population growth, some more indirectly from economic factors.

- 1) Disproportionately high increases in:
  - Crime; violent and property, prostitution
  - Divorce
  - Child abuse and neglect
  - Mental health casualties
  - Auto traffic
  - Juvenile arrests
- 2) Severe housing crisis resulting in outrageous sale and rental prices.
- 3) Inflated prices for many retail items and occasional shortages of some goods.
- 4) Increased average income.
- 5) Employment for many marginally employed and some chronically unemployed (Alaska Native and handicapped.)
- 6) Overcrowded schools; split shifts.
- 7) Increased employment opportunities for youth.





- 8) Increased demands on the Court and penal systems.
- 9) Against escalated Cost of Living, fixed income persons experienced a relative reduction. (Especially senior citizens.)
- 10) Inability to conduct routine business: line-ups at Post Office, banks, drug stores, etc.
- 11) Crowded recreational facilities and areas.
- 12) Reduced demand for services from some public agencies, especially employment oriented.
- 13) Increased demands from others.
- 14) Imbalance of personnel in public agencies resulting from #12 and #13.
- 15) Some solid contributing members of the community departed.
- 16) Increase in construction and businesses.
- 17) Dependence upon legislative appropriations resulted in belated program implementation.

All the while there was a growing undercurrent of resentment toward pipeline workers that was expressed by jokes and jibes about yellow trucks, pointy-toed boots, etc., and broader complaints about the changing character of the community. Even some of the more opportunistic retailers began to complain as the things they valued about the community became jeopardized. In short, community stress was high and began expressing itself in as many ways as there are people under stress. For some, it meant writing letters to the editor, for others, it was the



formation of a psychiatric symptom for which they were predisposed. For some it was lobbying for regulatory legislation, for still others it was starting a collection of gas caps from yellow trucks. Etc.

Even the best planning would not have avoided all of the above phenomena, but given adequate baseline data and honest dialogue between pipeline and social planners, communities would have been able to establish realistic planning strategies that would have enabled a proactive capability rather than a purely reactive, "close the barn door after the horse is out" position.

Recommendations:

- 1) Wholeheartedly agree with the six points the Mental Health/ N.W.T. - Canadian Mental Health Association included in their brief regarding the terms for companies and/or their contractors.
- 2) Clear, undebatable lines of authority for all phases of construction must be established, including regulatory responsibility and enforcement.
- 3) As a general principle, establish mechanisms to allow local communities the decision making power about health and social programs.
  - a) Develop and pass Community Mental Health Center Legislation similar to the State of Alaska's.  
(Attached)
  - b) Create a Co-ordinating body of all social and health operational unit supervisors empowered to temporarily shift or reallocate personnel, equipment, or funds in the event of program imbalance.





c) Create, through legislative appropriation, Social and Health Impact Funds to be distributed through application by a special representative council chosen by the electorate consisting of both providers and consumers from pipeline corridor communities.

4) Immediately establish an information system regarding:

a) Health and social services casualty data

b) Community social parameters; ie., divorce rate, suicide, juvenile arrests, school drop-out rate, etc.

5) Expend every effort to assist government, local communities, and oil companies to engage in collaborative planning dialogue.

6) Though I am unaware of all the legal ramifications of the native land claims, a prompt settlement would obviously provide a structure and social and economic baseline for this population who will undoubtedly receive maximum impact from pipeline construction.

7) Establish an interim funding mechanism to enable the immediate training of a cadre of indigenous mental health paraprofessionals.





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